

***United States Court of Appeals
for the
District of Columbia Circuit***



**TRANSCRIPT OF
RECORD**

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Court of Appeals of the District of Columbia.

OCTOBER TERM, 1919.

No. 3290. **588**

JOHN G. SLATER, APPELLANT.

vs.

WILLIS R. RUGGLES AND GERTRUDE S. RUGGLES.

APPEAL FROM THE SUPREME COURT OF THE DISTRICT OF
COLUMBIA.

FILED JULY 7, 1919.

PRINTED AUGUST 21, 1919.

Court of Appeals of the District of Columbia.

OCTOBER TERM, 1919.

No. 3290.

JOHN G. SLATER, APPELLANT,

vs.

WILLIS R. RUGGLES AND GERTRUDE S. RUGGLES,
APPELLEES.

APPEAL FROM THE SUPREME COURT OF THE DISTRICT OF
COLUMBIA.

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Court of Appeals of the District of Columbia.

No. 3290.

JOHN G. SLATER, Appellant,

vs.

WILLIS R. RUGGLES et al.

a Supreme Court of the District of Columbia.

In Equity. No. 34182.

WILLIS R. RUGGLES and GERTRUDE S. RUGGLES, Plaintiffs,

vs.

JOHN G. SLATER, Defendant.

UNITED STATES OF AMERICA,
District of Columbia, ss:

Be it remembered, that in the Supreme Court of the District of Columbia, at the City of Washington, in said District, at the times hereinafter mentioned, the following papers were filed and proceedings had, in the above-entitled cause, to wit:

1 *Petition.*

Filed March 15, 1916.

In the Supreme Court of the District of Columbia, Holding an
Equity Court.

Equity. No. 34182.

WILLIS R. RUGGLES and GERTRUDE S. RUGGLES, Plaintiffs,

vs.

JOHN G. SLATER, Defendant.

Your Petitioners respectfully represent to this Honorable Court:

1. That they are citizens of the United States, residents of the District of Columbia, and file this suit in their own right and as husband and wife, as will hereinafter appear.

2. That the defendant is a citizen of the United States, a resident of the District of Columbia, and is sued in his own right.

3. That heretofore, to wit, on the 29th day of January, 1913, the petitioner Gertrude S. Ruggles, who is the wife of the petitioner, Willis R. Ruggles, was the owner of a farm located near Herndon, Virginia, said farm being clear of incumbrance, and being worth \$12,000, and placed the same for sale with a real estate agent located in the locality of the said farm where the said petitioners resided, to wit, one J. W. Bauckman, and that thereafter the defendant John G. Slater came to the said farm with the said Bauckman and made a proposition to trade said farm for 1531 Vermont Avenue, Northwest, subject to an incumbrance of \$6,000, and 1100, 1102, 2 and 1104 Potomac Avenue, Southeast, subject to an incumbrance of \$6,500, all being located in the City of Washington, District of Columbia; that the said defendant represented that the Vermont Avenue property was worth \$12,000, and that the property located Southeast was worth \$14,000, and there being an equity of \$6,000 in the Vermont Avenue property and an equity of \$7,500 in the three properties Southeast.

Petitioners aver that they came to the City and went with the said defendant Slater and examined said property; that they knew nothing of the value of real estate in the City and relied entirely upon the representations made to them by the said defendant Slater as to the value of said property; that the said Slater before the exchange, and at the time of the examination of the said properties by the petitioners, represented to them that the properties located on Potomac Avenue, Southeast, were in the line of the Lincoln Memorial Boulevard; that the provision had already been made for said Boulevard of said property, and that work would begin right away, and that the property would then be worth many thousands of dollars more than it was worth at that time.

Petitioners say that the said defendant Slater further represented to them as a fact that a liquor license could be obtained in the premises, which would also improve the rental value of said house very much; that the reason the liquor license was then not in the premises was that the said Slater would not permit his name to be used in connection with a liquor license or anything pertaining to liquor, but that as soon as petitioners obtained said title to said property they could obtain a license, and that the rental value of said premises would be increased very much thereby; that 3 the said Slater represented to petitioners as a fact that the said property #1104 Potomac Avenue was then rented for the sum of \$40 per month, whereas in fact only one month's rent was paid after petitioners obtained title to said property, and petitioners charge upon information and belief that the said tenant was not a bona fide tenant, and that the rental was not a bona fide rental.

4. Petitioners further aver and say that they relied upon said statements of the said defendant Slater, first, as to the value of the properties; second, as to the Boulevard being provided for, and third, as to the right to obtain a liquor license, and fourth, as to

the rental income, and relying upon said representations entered into an agreement to exchange their farm, clear of incumbrance, for the said properties, subject to the incumbrances above set forth, but petitioners aver and say that within the last three years they discovered that each and every one of said statements were false; were known to be false at the time they were made by the said Slater, and that they were made as a statement of facts by the said Slater for the purpose of inducing the petitioners to rely upon same as fact, and for the purpose of defrauding them out of the value of their property, and petitioners say that each and every one of said statements were false and fraudulent, and as a result of same the petitioners have been deprived of the value of their said farm, to wit, \$12,000. Petitioners did not discover the said false statements or fraudulent representations until within three years of the time of filing this suit.

5. Petitioners further aver and say that on said 29th day of January, 1913, petitioners owned another farm in the State
4 of Virginia, located in Nelson County, and that as soon as said transaction above referred to had been consummated, and before your petitioners had knowledge of the fraud perpetrated upon them in connection with said exchange, the defendant Slater made a proposition to petitioner Willis R. Ruggles that if they, Petitioners, would sell their farm in Virginia and deliver to defendant the proceeds therefrom, as well as such other money as he had that he, defendant, Slater would put up the same sum of money and form a partnership for the purpose of investing the said sum, and that as a result of said investment which was made by the said Slater, he being familiar, as he claimed, with all conditions in Washington, he could obtain for the said petitioners a better income on the said money than they could obtain from the farm, and that relying upon said representations petitioners agreed to, and did sell the said farm at very much less than its real value, the farm being sold for, to wit, \$11,000, all of which was delivered to the said Slater for the purposes aforesaid, and there was delivered to him in addition thereto, the sum of \$4,000 by petitioner, Willis R. Ruggles, which said sum he had in bank at that time, and petitioners say they are unable to obtain any accounting from the said Slater, and that they are unable to ascertain where the said money was invested or in what manner it was invested, and they ask for an accounting from the said Slater for the said sum, and for the winding up of a partnership, if the court should decree the same to be a partnership, for a decree against the said Slater for any sum found to be due by him to the said petitioners.

6. Petitioners further aver and say that they were the owners of \$2,300 worth of personal property, said property being
5 located on the farm near Herndon, Virginia, and fifteen acres of real estate adjoining the said farm disposed of as aforesaid, the same being exchanged with the said Slater for 1647 and 1649 Kraemer Street, Northeast, in the City of Washington, District of Columbia, one of said house- being deeded to each of your petitioners,

said houses being represented by the said Slater to be worth \$2,400 each, and were exchanged subject to a trust of \$1,500 on each property; also property 311 13½ Street, Northwest, this property being represented to be worth \$4,800, and was traded subject to a trust of \$3,500, but petitioners say that they relied absolutely upon the representations made by the said Slater as to value; made no investigation whatever, but they found after giving the property as aforesaid, and within three years from the date of the filing of this petition, that the said property was not worth any more than the amount of the trust, and by reason of said transaction the plaintiffs were defrauded and cheated out of the value of their personal property, and their fifteen acres as aforesaid, and petitioners are advised that their relief is in a court of equity.

Premises considered Petitioners pray:

I. That a subpoena may issue out of this Honorable Court directed to the defendant, requiring him to appear and answer the exigencies of this petition, but not under oath, oath being expressly waived.

II. That upon final hearing of said cause an order may be passed herein setting aside and annulling the agreement of exchange set forth in this petition, and that the parties may be placed in statu quo, and if it be found that the defendant Slater has transferred, sold, or disposed of the said farm, that a decree may be entered against him for the value of same.

6 III. That an accounting may be had from the said Slater for the moneys received by him, and that a decree may be entered against him for the amount found to be due to the said petitioners.

IV. And for such other, further and general relief as to the Court may seem just and proper in the premises.

WILLIS R. RUGGLES.
GERTRUDE S. RUGGLES.

W. GWYNN GARDINER,
Attorney for Plaintiffs.

DISTRICT OF COLUMBIA, ss:

Willis R. Ruggles and Gertrude S. Ruggles, being first duly sworn on oath depose and say that they have read the foregoing petition by them subscribed, and know the contents thereof; that the matters and things therein contained of their own knowledge are true, and those stated upon information and belief, they believe to be true.

WILLIS R. RUGGLES.
GERTRUDE S. RUGGLES.

Subscribed and sworn to before me this 13th day of March, 1916.

[SEAL.]

PAULINE M. WITHERS,
Notary Public, D. C.

Answer of Defendant.

Filed May 2, 1916.

* * * * *

The said defendant, saving and reserving to himself all and all manner of benefit of exception that can or may be taken to the many errors, uncertainties and imperfections in the said bill contained, nevertheless, for answer thereunto, or unto so much and such parts thereof as he is advised it is material or necessary for him to answer, answering says:

7 1-2. He admits the allegations of the first and second paragraphs of the said bill to be true.

3-4. He admits that, as alleged in the third paragraph of the said bill, on the 29th day of January, 1913, the plaintiff, Gertrude S. Ruggles, was the owner of a certain farm located in Herndon, Virginia, the same being clear of encumbrance; but that the same was worth Twelve Thousand Dollars (\$12,000) he denies, and he avers the fact to be that the same was worth, to wit, Eleven Thousand Dollars (\$11,000). He admits that the said farm was placed by the said plaintiff for sale with one Bauckman as in the said third paragraph alleged. On the said date, he, the defendant, was the owner of the certain premises, in the said paragraph mentioned, known as numbers 1100, 1102, 1104 Potomac Avenue, South East, in the City of Washington, District of Columbia, worth, to wit, Fourteen Thousand Dollars (\$14,000), and subject to an encumbrance of Six Thousand Five Hundred Dollars (\$6,500); and also on the said date, he, the defendant, was the owner of premises known as number 1531 Vermont Avenue, North West, in the said City of Washington, worth, to wit, Twelve Thousand Dollars (\$12,000), and subject to an encumbrance of Six Thousand Dollars (\$6,000). On the said date, the said plaintiff agreed with him, the defendant, to exchange for the said properties in Potomac Avenue and the said premises known as 1531 Vermont Avenue, subject respectively to an encumbrance of Six Thousand Five Hundred Dollars (\$6,500) and Six Thousand Dollars (\$6,000) aforesaid, the said farm of the said plaintiff, at Herndon, and the said properties were exchanged accordingly. Subsequently,

8 he, the defendant, encumbered the said farm, at Herndon, for the sum of Five Thousand Dollars (\$5,000), borrowed by him on the security thereof, and, subject to the said encumbrance, exchanged the same for the equity in twelve houses, located in Sherman Avenue, in the said City of Washington, and conveyed the said farm accordingly to one Groves, who had originally owned the said houses and, after encumbering the same for the sum of Sixteen Hundred Dollars (\$1,600) each, had sold them, subject to such encumbrance, and the defendant dealt respecting the same primarily with the grantee of the said Groves in the premises, and afterwards conveyed the said houses, or his equity therein, to the said Groves, who thereby became again possessed and the owner thereof.

The said plaintiff, Gertude S. Ruggles, after acquiring the same and before the filing of the said Bill of Complaint, sold the said premises numbered 1100, 1102, 1104 Potomac Avenue, aforesaid, to one George S. Rees, subject to an encumbrance of Six Thousand Five Hundred Dollars (\$6,500) as aforesaid, and she still possesses the said premises numbered 1531 Vermont Avenue, in which she and her husband, the plaintiff, Willis R. Ruggles, now reside and have so resided since a few months after the acquisition thereof by her, the said plaintiff, Gertrude S. Ruggles.

In this transaction involving the said farm at Herndon, the plaintiff, Gertrude S. Ruggles, was represented by the said Bauckman and the defendant by one Campbell, and before the transaction in relation thereto was closed, the said Bauckman, for and in behalf of the said plaintiff, examined the said houses in Potomac Avenue, aforesaid, and the said premises numbered 1531 Vermont Avenue, and passed upon and reported to the said plaintiff the value of the same, and the assent of the said plaintiff to the exchange of the said
9 properties, for the said farm, at Herndon, was subsequent to, and based upon, the report of the said Bauckman as to the value thereof, and not upon any representation of the defendant in that behalf.

All and every the allegations of the third and fourth paragraphs of the said bill to the contrary of the foregoing, the defendant denies. And he denies that he represented that the said houses located on Potomac Avenue, aforesaid, were in a line with the Lincoln Memorial Boulevard, that provision had already been made for the said Boulevard, that work thereon would begin right away and that the said property would then be worth thousands of dollars more than it was worth at the time aforesaid; he denies that he represented to the plaintiff, as a fact, that a liquor license could be obtained in the said premises on Potomac Avenue, aforesaid, or that the rental value of the same would be increased very much thereby; he admits that he represented, as a fact, that the said property numbered 1104 Potomac Avenue, was at the time rented for the sum of Forty Dollars (\$40.00) per month, which was the fact, the same having been occupied for a period of six or seven months theretofore, by tenants paying the said sum as rent, and whether, after the said plaintiff obtained title to the said property but one month's rent thereof was paid, he does not know, and can neither admit nor deny, but calls for strict proof thereof, if material to his interests; he denies that, in the transaction aforesaid, the plaintiff relied upon the statements of him, the defendant, in the premises, as alleged, or any of them: and he denies
10 that any statement by him made in respect of the value, condition or prospects of the said properties, or any of them, was false and fraudulent, or either.

5. He admits that, as in the fifth paragraph of the said bill alleged, on the 29th day of January, 1913, the plaintiffs owned the certain farm in Nelson County, Virginia, in the said paragraph mentioned, and that he had a transaction with the said plaintiffs respecting the said farm as follows: At the same time, the defendant was the owner of six houses located on Tennessee Avenue, between E and F streets

North East, in the said City of Washington, subject to certain encumbrances then existing thereon, and by agreement between the plaintiffs and the defendant the said farm was to be exchanged for his, the defendant's, interest in the said houses; but before the plaintiffs conveyed the said farm to him, the defendant, the same was, with the defendant's consent, sold by the plaintiffs' and the proceeds thereof, to-wit, Eleven Thousand Dollars (\$11,000), delivered to him, the defendant, and he conveyed the said houses, subject to the encumbrances aforesaid, to the plaintiff, Willis R. Ruggles, who since has retained and now has the said houses, subject to encumbrances as aforesaid. And he admits that, as in the said paragraph alleged, the plaintiff, Willis R. Ruggles, delivered to him, the defendant, for investment, the sum of Four Thousand Dollars (\$4,000), in the said paragraph mentioned, but that there was any agreement or understanding between the plaintiffs, or either of them, and the defendant, that the proceeds of the said farm and the said sum of Four Thousand Dollars (\$4,000), or either, were or was received by the defendant for the purpose of partnership for investing the
11 same, or that the defendant made any representation to that effect, he denies; and he avers the fact to be, that the transaction in this behalf between the plaintiffs and himself was as hereinbefore stated, and not otherwise.

6. He admits that, as in the sixth paragraph of the said bill alleged, the plaintiffs were the owners of certain personal property located on the said farm at or near Herndon, Virginia, and fifteen (15) acres of real estate adjoining the said farm, and that the same were exchanged by the plaintiffs with the defendant, for the transfer and conveyance, by the defendant to the plaintiff, Willis R. Ruggles, of the certain premises known as lot numbered Two Hundred and Fifty One (251), of "Smith's Sub-division of Long Meadows," so called, in the said District of Columbia, subject to an encumbrance of Fifteen Hundred Dollars (\$1,500), and part of lot numbered Six (6), in square numbered Two Hundred and Fifty Eight (258), on Thirteen and One-Half ($13\frac{1}{2}$) street, North West, in the said City of Washington, subject to an encumbrance of Thirty Five Hundred Dollars (\$3,500), which were conveyed by the defendant to the plaintiff Willis R. Ruggles, and the certain lot numbered Two Hundred and Fifty Two (252), in the said Sub-division, which was conveyed by the defendant to the plaintiff, Gertrude S. Ruggles; and he avers the fact to be that, since the said transaction, the said plaintiff, Willis R. Ruggles, disposed of and conveyed both the said lot numbered Two Hundred and Fifty One (251) and the said part of lot numbered Six (6), in said square numbered Two Hundred and Fifty Eight (258), and that the plaintiff, Gertrude S. Ruggles, disposed of and conveyed the said lot numbered Two Hundred and Fifty
12 Two (252), and that neither of the said plaintiffs now is, or at the time of the filing of the said Bill of Complaint was, possessed of the said premises so by them conveyed or any part thereof, and that, at the time of the filing of the said Bill of Complaint, and since hitherto, the said lots numbered Two Hundred and Fifty One (251), and Two Hundred and Fifty Two (252), aforesaid, were and

are the property of one Ralph P. Williams, and the said part of lot numbered six (6), in square numbered Two Hundred and Fifty Eight (258) the property of one Iva A. Heany.

And further answering the defendant says.

7. All and every the allegations of, the said bill that in respect of the matters aforesaid, or any of them, the defendant made to the plaintiffs, or either of them, any false or fraudulent statements or representations, or any misrepresentations of fact, or what kind soever, he, the defendant, denies; and he denies that the plaintiffs are, or have been, unable to obtain from him any accounting in respect of the said matters, or any of them, and, to the contrary thereof, he avers that he has fully accounted to the plaintiffs, and each of them, in respect of the said several matters and each of them, and stands ready and willing to make any other, or further, accounting in the premises, as the right thereto of the plaintiffs, or either of them, may be made to appear, or shall or may to the court seem proper.

8. The plaintiffs have not, in and by their said bill, made or stated such a case as entitles them to the relief thereby prayed, or any relief in the premises; for any of the matters and things in the said bill set forth and complained of against the defendant, the plaintiffs have, if any, a full, complete and adequate remedy at law; the plaintiffs have, in and by their said bill, improperly joined distinct and independent matters, in respect of which the alleged rights of the plaintiffs are separate, distinct and independent, wherefore the said bill is multifarious; the plaintiffs have not, in and by their said bill, stated or shown any proper or adequate reason or excuse for their laches or delay in filing the same; and it does not appear, in and by the said bill, that in respect of the certain transactions therein undertaken to be set forth, the plaintiffs and the defendant can, or at the time of the filing of said bill could, be put in the same state and condition as before the making of the said several transaction-, the contrary whereof is true. And the defendant claims the same benefit of these several objections to the said bill as though because thereof he had formally demurred or by plea objected to the same.

And now having fully answered, the defendant prays hence to be dismissed with his costs.

JOHN G. SLATER,
Defendant.

HENRY E. DAVIS,
Attorney for Defendant.

Decree.

Filed April 10, 1918.

* * * * *

This cause came on to be heard at this term and was argued by counsel for the respective parties; and thereupon, upon consideration thereof, it is this 10th day of April A. D. 1918, adjudged, ordered and decreed as follows, viz:

14 That the exchange of the properties between the plaintiffs and the defendant, recited in the bill of complaint, namely, the real and personal property of the plaintiffs, located at or near Herndon, Virginia, for the defendant's properties known and designated as 1531 Vermont Avenue, Northwest; 1100, 1102 and 1104 Ninth Street, Southeast; 311 Thirteenth and One Half Street, Northwest; and 1647 and 1649 Kramer Street, Northeast, all located in the City of Washington, District of Columbia, was procured by the fraud of the defendant, and that the said exchange be, and the same is hereby rescinded and for naught held. And it appearing to the court that the defendant has disposed of all of the plaintiffs' aforesaid properties received by him; that none of the defendant's properties, with the exception of 1531 Vermont Avenue, Northwest, had any value in excess of the then existing encumbrances, and the same, with the exception of 1531 Vermont Avenue, Northwest, having been disposed of by the plaintiffs without profit or net income therefrom, the court finds that the plaintiffs have sustained damages in this behalf in the sum of \$15,245.00 with interest thereon at the rate of 6% per annum from January 28, 1913; the plaintiffs to have recovery thereof against the defendant with interest thereon, besides costs of suit, with execution thereof as on a judgment at law.

That the property improved by premises 1531 Vermont Avenue, Northwest, to wit, part of Lot numbered Ten (10) in Coltman and Adams Trustees' subdivision of square numbered Two hundred Seventy Eight (278) as per plat recorded in the office of the Surveyor for the District of Columbia in liber W. F. 96½, be
15 sold, subject to the balance of indebtedness under the existing trust thereon, the net proceeds of said sale to be applied, under further order of the court, toward satisfaction of the said plaintiffs' recovery as aforesaid.

The court also finds that the defendant is accountable to the plaintiffs for other and further moneys received by the defendant in the circumstances recited in the 5th paragraph of the bill of complaint; that the amount of money so received by the defendant was \$15,000.00 as claimed by the plaintiffs, but that the defendant did not contribute any money in pursuance of the partnership agreement, and that the money payable to the plaintiffs by the defendant on said account is \$12,329.19 with interest at the rate of 6% per annum from the 1st day of April A. D. 1914, the same however to be increased or diminished under further order of court by defendant's share of the loss or profit, if any, accruing from the sale of the here-

inafter mentioned assets. It appearing to the court that lots 10, 11 and 12 in square 243, improved by premises designated as 1316, 1314 and 1312 Thirteenth Street, Northwest, were purchased as partnership assets, but out of the money contributed by the plaintiffs as aforesaid; that lot 10 has been sold, and that lots 11 and 12, being the only partnership assets remaining, should be disposed of to wind up the partnership affairs and ascertain the profit or loss, if any, from this transaction, it is further ordered that the property, to wit, lots 11 and 12, in James E. Miller's subdivision of lots in square 243 as per plat recorded in the office of the Surveyor of the District of Columbia in Liber 10, folio 68, together with the improvements thereon, be sold subject to the balance of indebtedness under the existing trusts on said lots, and that Edward S. Duvall and Charles

16 Poe be and they are hereby, appointed trustees to make sale of the said lots, and also of the aforesaid part of lot 10 in square 278, hereinbefore ordered to be sold, giving bond in the penalty of five thousand Dollars (\$5,000) and that the advertisement of the said sales be made in the Evening Star Newspaper. It is further ordered that the provisions of Equity Rule 72 be in all respects complied with.

Jurisdiction of this cause is retained for further proper decrees or orders upon the coming in of the report of the said trustees.

F. L. SIDDONS,
Justice.

From the foregoing decree the defendant by his counsel, notes an appeal in open court, which is hereby allowed and the penalty of the bond on appeal to act as a supersedeas is fixed at twenty-five thousand Dollars (\$25,000) and of a bond for costs at \$100 or cash deposit of \$50.00.

F. L. SIDDONS,
Justice.

O. K. as to form.
CHAS. POE,
Atty. for Defdt.

Memoranda.

April 20, 1918.—Appeal bond approved and filed.

May 1, 1918.—Time to settle the statement of evidence and file transcript of record enlarged to and including July 1, 1918.

17 June 20, 1918.—Time to submit statement of evidence and to file transcript of record enlarged to and including July 25, 1918.

July 17, 1918.—Time to submit Statement and Digest of Evidence and to file transcript of record extended from day to day to and including May 17, 1919.

Assignment of Errors.

Filed July 29, 1918.

* * * * *

The Court erred as follows:—

1. In not dismissing the Bill because of the laches of the plaintiffs.
2. In not dismissing the Bill because the same is multifarious.
3. In not dismissing the Bill because of a misjoinder of the plaintiffs.
4. In decreeing that a partnership existed between one of the plaintiffs and the defendant, and then signing a decree in favor of the plaintiffs jointly against the defendant.
5. In refusing to send the case to the Auditor.
6. In decreeing that the plaintiffs are entitled to recover against the defendant because of an alleged constructive fraud practiced by him upon them, when the Bill of Complaint alleges an express fraud only.
7. In not dismissing the Bill because of a total failure of proof of either express or constructive fraud practiced by the defendant upon the plaintiffs.
8. In decreeing a rescission of the contracts between the defendant and Willis R. Ruggles, one of the plaintiffs, after said
18 plaintiff had by his acts rendered it impossible to restore the status quo between him and the defendant.
9. In decreeing a rescission of the contracts between the defendant and Gertrude S. Ruggles, one of the plaintiffs, after said plaintiff had by her acts rendered it impossible to restore the status quo between her and the defendant.
10. In permitting the plaintiffs to treat the witness, John W. Bachman, produced by themselves, as a hostile witness, to propound leading questions to him and to cross-examine him.
11. For other errors apparent upon the face of the record, and to be hereafter assigned.

CHAS. POE,
Attorney for Defendant.

Service of copy of the above assignments of error acknowledged this 29 day of July, 1918.

EDWARD S. DUVALL,
Attorney for Plaintiffs.

Designation of Record.

Filed July 29, 1918.

* * * * *

Mr. Young:

In making up the record on appeal herein, you will please include the following:

The Bill of Complaint; the Answer; the Decree; Bond on Appeal (mem.); Orders extending time (mem.); Assignment of Errors; and this designation.

CHAS. POE,
Attorney for Defendant.

Service of copy of the above designation acknowledged this 29th day of July, 1918.

EDWARD S. DUVALL,
Attorney for Plaintiffs.

19

Memoranda.

May 15, 1919.—Statement of Evidence for record on appeal submitted.

May 28, 1919.—Statement of Evidence for record on appeal approved, signed and filed.

20

Supreme Court of the District of Columbia.

UNITED STATES OF AMERICA,
District of Columbia, ss:

I, John R. Young, Clerk of the Supreme Court of the District of Columbia, hereby certify the foregoing pages numbered from 1 to 19, both inclusive, to be a true and correct transcript of the record, according to directions of counsel herein filed, copy of which is made part of this transcript, in cause No. 34182, in Equity, wherein Willis R. Ruggles and Gertrude S. Ruggles are Plaintiffs and John G. Slater is Defendant, as the same remains upon the files and of record in said Court.

In testimony whereof, I hereunto subscribe my name and affix the seal of said Court, at the City of Washington, in said District, this 29th day of May, 1919.

[Seal Supreme Court of the District of Columbia.]

JOHN R. YOUNG,
Clerk,
By W. E. WILLIAMS,
Assistant Clerk.

21 Submitted May 15, 1919.

J. R. YOUNG, *Clerk*,
By E. J. McKEE,
Asst. Clerk.

In the Supreme Court of the District of Columbia.

Equity. No. 34182.

WILLIS R. RUGGLES and Wife, GERTRUDE S. RUGGLES,
Plaintiffs,

vs.

JOHN G. SLATER, Defendant.

Statement of Evidence for Record on Appeal.

The following is the substance of the testimony and evidence adduced in this Cause on final hearing before Mr. Justice Siddons on March 5, 6, 7, 11, 12, 13, A. D. 1918, on behalf both of plaintiffs and defendant:

GERTRUDE S. RUGGLES testified that she was the wife of Willis R. Ruggles and the co-plaintiff; that they were married in 1904 and that they resided at 1531 Vermont Avenue and have resided there ever since they moved in in March, 1913; that prior to that she and her husband lived at Herndon, Va., on property that witness owned; that it is a farm and consists of 130 acres and was located one mile from Herndon, Va.; that the value of the farm and improvements, meaning the house and fixtures, not the farm implements, was \$12,000; that in addition to this farm witness also owned 15 acres adjoining it; that both pieces of property were acquired by witness two years subsequent to her marriage to her co-complainant; that her husband and witness decided that they would like to sell the farm and so employed Mr. Bachman as their agent, and he introduced them to Mr. Slater, and that was in the Summer of 1912 at Herndon, Va.; met defendant first at his office in Washington; witness and her husband went to Slater's office together, having been directed to his office by Mr. Bachman, the agent;

22 Q. What had occurred prior to that between you and Mr. Bachman that caused him to send you to Mr. Slater? Answer. "Just the agreement that he was to be the agent for selling the farm or trading it." It was the visit to Slater's office in the summer of 1912; his office was 1410 G St.

Q. State just what took place? Ans. Oh, he offered us this house at 1531 Vermont Ave., with a \$6,000 trust on it which he said was worth \$12,000; then three houses near the Navy Yard, one a brick house, and the other an old wooden structure with a sort of a shack or restaurant adjoining it; he said they were worth \$14,000, but there was a trust of \$6,500 on them; he said that the law had

been passed that the Lincoln Highway was to pass there; he said it was an assured fact and he said that it was to be built within a year; and he said it would make the property very valuable, that it would be worth \$15,000; he said work had begun or was about to be begun very soon; he said it would be within a year; he spoke of it frequently; he said it will be worth \$15,000, then he also spoke of a liquor license that could be obtained there; he said that would make a very good business there; he says you would have a very valuable property; or, he said he would not sell liquor up there; he said he would not get a license out, that is why he did not get a license.

Q. What was said if anything about the rents of any of the houses there near the neighborhood? A. One of the houses was rented; he said it was rented as a clubhouse at \$40 per month; after the trade was consummated there was only one month's rent paid in and the tenant gave up; he said that there was no business there; the other house could not rent at all; it was in such miserable repair; then there was a little shack of a restaurant that was doing some business, after a while he moved out.

Q. What rent did you get for it? Ans. I think \$11 or \$12 a month; the houses described in the Bill of Complaint as numbered 1100-1102 and 1104 Potomac Avenue S. E., should have been described as being at the corner of 9th and M Sts. S. E.; before this meeting in Slater's office, Slater had never made a visit to witness's farm at Herndon, though his agent had been there several times; being asked who was defendant's agent, witness answered, Mr. Campbell;

23 Q. Did he ever go there in company with Mr. Slater after you had talked with Mr. Slater in his Office? Ans. He came out there again, he came out there once before the trade was consummated; that was in the autumn, I don't just remember the date.

Q. What was discussed on the occasion between Mr. Slater and you and Mr. Ruggles or you alone? Ans. He said the farm was fine, oh, he says it is alright, he was very much pleased with it.

Q. Did he make any inspection of the farm? Ans. Yes, he went through it, he went over it.

Q. Did he go over the farm? Ans. Yes he went with my husband, he took him through it and he expressed himself as well satisfied with it; his agent had been there several times previous.

Q. Was that the only visit Mr. Slater made to the Herndon property? Ans. He made one visit after the sale;

Q. When did you next have any conversation with Mr. Slater, and where? Ans. Shortly after the trade. He kept after my husband to go into partnership with him to form a business partnership; he says, "sell your farm and get what money you can and I will put up the same amount and we will form a partnership and go in business together and he says we will make loads of money."

Q. Tell everything he said? A. He said, "we will make just loads of money." My husband and I thought it over for a while and we decided we would sell the Nellys Ford Farm.

Q. That was the name of the farm at Herndon? A. Yes. After we considered it a while we went down there and stayed a few weeks

and Mr. Slater wrote and said to hurry up, and to sell the farm and we will make lots of money;

The Court: You cannot introduce the contents by the witness.

(By Mr. Duvall:)

Q. Go ahead, don't state what was in the letter, but state what was done? A. He just stated we will make loads of money, hurry up and sell the farm.

Q. Did he explain to you how you would make loads of money? A. In the business; they were going to form a partnership buying and selling real estate and buying up notes.

24 Q. Was anything said? A. Then he said, "that all property and business done by the partnership will be put in Mr. Ruggles' name he said, so that it would be impossible for me to cheat him."

Q. What did you do in pursuance of that? A. Then shortly after that, after receiving the letter, the farm was sold for \$11,000, and we came back to Washington, and unknown to me and without my consent whatever or knowledge, my husband gave Slater all this money, this \$11,000 he got from the farm and \$4,000 he had in the bank; I knew nothing about it whatever for nearly a year afterwards when there were no moneys coming in to live on, and I was so tired of poverty I called him in and said, "What did you do with all of the money from the sale of the farm."

Mr. Poe: I object.

Mr. Duvall:

Q. Do not say what occurred between you and Mr. Ruggles unless Mr. Slater was present; just state what was done between you and Mr. Slater or you and Mr. Ruggles. A. The moneys were given to Slater to go into business with as he had agreed to take my husband into partnership with him, and he says I will put up the same amount and he says we will make just loads of money; he never put up any; after he got all our money, there was nothing doing.

Q. Had you ever lived in Washington before you moved to 1531 Vermont Ave.? A. No sir; I was an utter stranger to Washington; had no familiarity with property values in the city; did not know South East from North West; knew absolutely nothing about the city; went with Campbell, Slater's agent, before we traded the Herdon farm and looked at these properties; Campbell and I went about the city and he showed me his property, in various localities; showed me a very large amount of property he claimed Slater owned; Mr. Ruggles was not along that time. Asked whether Mr. Slater had ever taken her to see the 9th and M Sts. property S. E., and the Vermont Ave. property, the witness answered, "Yes, before the trade was made."

Q. Who was it, Mr. Slater or his agent? A. His agent, and himself at another time.

25 Q. Where did Mr. Slater himself take you? A. 1531 Vermont Ave. It was a very cold day and snowing. We went up there and went through the house; it was rented at the time; we went up on the 14th st. car line, and got off at Rhode Island Ave., and came through a park; he said it was Thomas Circle, I do not know.

Q. You now know what circle it is? A. It is Iowa Circle. He said it was Thomas Circle and brought us up that way.

Q. What was said if anything in walking from the car to the house? A. Oh, he says "it is a very fine neighborhood and all that"; this corner of Q St., this house is in the colored district; just swarms of colored people; I did not know it, I knew nothing at all about it.

This trade was consummated on Jan. 29, 1913. The Herndon farm for the property 1531 Vermont Ave., and for the 9th street houses. On account of this trade witness paid a commission of \$500 to Mr. Bachman. After the trade Mr. Ruggles had his office or desk in Slater's office at 1410 G St., known as the Ames Bldg.; witness visited there several times and found Mr. Ruggles and Mr. Slater together in these rooms and Mr. Slater talked to her there about the business partnership. He repeated what he said before we sold the farm. He said, "I want him as a partner, we want to do business together," he says, "I will give him the benefit of my 40 years' experience in the real estate business and I want him for a partner." He says, "I like him, I will put up the same amount of money," and he never put up any. Never heard of any money being returned from this venture, either Mr. Ruggles' or Mr. Slater's.

Q. Did Mr. Slater ever tell you, or Mr. Bachman ever tell you that Mr. Slater had agreed to give any commission to Mr. Bachman on your trade? A. I have not heard of it. The first time I ever heard of it was after the suit was started. First heard of it in the office of her counsel. Asked what she or Mr. Ruggles had done concerning the properties at 9th and M Sts., witness testified, he tried to trade them and I think he did trade them. The trusts
26 were coming due and unknown to both of us, when the papers were drawn this Slater made me responsible for the trusts that were upon them.

Mr. Poe: I object.

Witness: And I did not know it at all.

Thereupon counsel for plaintiffs introduced in evidence the deed to the 9th and M St. property which contained the following clause—"Subject to a certain deed of trust of \$6,500, recorded among the land records of the District of Columbia, which the party hereto of the second part assumes and agrees to pay as part of the consideration of these presents."

By Mr. Duvall:

Q. Was anything said between you and Mr. Slater about making yourself personally liable?

Mr. Poe: I object to that, on the distinct ground that if the parties consented to the contract under seal——

Mr. Duvall: I think if the Court please in a case of this character the widest latitude should be allowed to the plaintiff, and that every circumstance surrounding the case which would show the character of the fraud and the extent of it, ought to be admitted.

By the Court:

Q. Mrs. Ruggles prior to the execution of the deed signed by Mr. Slater and his wife, which was acknowledged before a notary public, was it shown to you, that deed, prior to its execution by Mr. Slater?

A. No, it was not, your Honor.

By the Court:

Q. I ask you, when did you first see that deed? A. You asked me if I read it.

Q. No. When did you first see it? A. I don't recollect just when.

Q. Can you recollect whether you saw it before it had been executed by Mr. Slater and his wife? A. No, I am quite sure I did not see it.

Q. After it had been executed by Mr. Slater and his wife was it delivered by him to you? A. No, sir. I think it was given to my husband.

27 Q. How long was it after it was given to your husband that you saw it, if you can tell?

Mr. Duvall: The deed was dated one day and recorded the next day. You might wish to know that.

By the Court:

Q. I am not asking you about reading it. I am asking you when after your husband received it, if you can recall that you first saw it?

A. I don't remember just when.

Q. You don't recall ever reading it at all? A. No sir, I don't think I read it at all.

Q. Who attended to the transaction? A. I think it was a notary.

Q. I know, but who acted for you in the matter? A. I did not have any lawyer, I did not have any one. The papers were drawn up in the office there.

Q. Did you attend the drawing of the papers? Were you there?

A. I was present at the time and my husband I thought attended to it.

Q. Were you present when this deed was drawn up? A. Yes, sir.

Q. Did you see Mr. and Mrs. Slater execute the conveyance? A. No, I did not.

Q. But you think you were present when the deed itself was actually drawn up? A. Yes, sir.

Q. Who else was present then beside yourself? A. My husband and

Slater and the notary, and there was a witness or two brought in to sign the papers. I think that was all.

28 The Court: The question is whether or not she may be permitted to testify that this particular term or provision of the deed was not subject to discussion or negotiation, but was inserted unknown to her. Upon that principle, Mr. Duvall, do you think the testimony ought to be received—what exception to the usual rule, of course, as to the binding effect of the written contract?

Mr. Duvall: We do not offer it for the purpose of discrediting this paper. To a certain extent she is not bound by what certain parties put in a deed between themselves or signed by one of the parties, unless she examined the paper afterwards and agrees to the terms of it. That is not the situation. I want to bring to the Court every bit of evidence, every scintilla of evidence, bearing upon the transaction between Mr. Slater and these parties. We have in evidence here the agreement to trade the Herndon farm for the equities——

The Court: I will admit the testimony, not for the purpose of varying the terms of the conveyance, but as an alleged incident in the transactions between these parties.

Mr. Poe: Your Honor will give me an exception?

To which ruling of the Court the defendant by his attorney excepted and prayed the Court to note his exception which was accordingly done upon the record.

Whereupon the plaintiff by his counsel also then and there offered the Deed to the property No. 1531 Vermont Ave., which contained the following provision "subject to a certain Deed of Trust for the sum of \$6,000, recorded, etc., which the party hereto of the second part (named in the instrument as Gertrude S. Ruggles) assumes and agrees to pay as part of the consideration of these presents." With reference to which the Court made the same ruling and the defendant reserved the same exception. Testifying further with reference to what became of the properties of M and 9th Sts. Southeast, witness testified that they were traded to save foreclosure but nothing was gotten in the trade. Just merely transferred it so that they would not foreclose, and if the property should not sell for the trust on it then I would be saved trying to make good on the trust as I was held in the papers unknown to me.

29 Q. You received in trade for your 15 acres and the personal property on the farm one of the houses on Kramer Street and Mr. Ruggles received the other? A. Yes.

Q. What became of those Kramer street properties as you recall?
A. They went the same way as the other property at 9th and M. They were traded. She traded the Kraemer street house also to avoid foreclosure.

30 Q. What was received in exchange for those properties on Kraemer St.? A. Nothing at all.

Q. What do you mean by "nothing at all;" you had better explain that? A. We made no money; we simply traded. We hoped to make a little something, but we made nothing. We took

another mortgaged house. That was done as I say to save myself from the trust, and we received nothing at all from these other properties. Relied upon Slater's valuations of the properties; took his word for it. I did not know; I was absolutely ignorant of the values of Washington real estate. I made no independent investigation as to the truth of those statements and as far as I know Mr. Ruggles made no independent investigation to ascertain whether those statements were true or untrue. Our agent Mr. Bachman approved of the trade, he thought it was—I think he was deceived, I don't think he knew much about the valuations of real estate property. He approved it. He thought that the Ninth Street property was very good on account of the Lincoln Highway; he thought it would be a good trade. He was deceived as well as I was about the value of it. He advised me to make these trades; the proposed trades for the Herndon farm was just between Mr. Bachman and me and he understood the proffer of Mr. Slater. Asked to describe the neighborhood, the character of the neighborhood of 1531 Vermont Ave., witness said, "the house is located on the corner of Vermont Avenue and Q Sts., and across from Q St., the neighborhood up there is nearly all colored people, and down Q St. and every direction, in fact, it is all colored people there; back of us colored people; the place is just swarming with them. The corner property just back adjoining our lot is colored houses, just wooden shacks; the property has no rear outlet to an alley or street, just a small back lot. Across Q Street, between 12th and Vermont Avenue is an Apartment house." Knows nothing of the kind or the character of the people who live in it. Asked to describe the personal property referred to in the Bill as worth \$2,300, witness stated there was a lot of fine blooded cattle, don't remember the number, and horses. Holsteins and several horses, thoroughbred fowls. There was all kinds of farming machinery including a gasoline engine. Farm was fitted up for a dairy. My husband ran a dairy there for several years. The agreed value between Slater and witness as to the personal property included in the trade was \$2,300; there was no contract in writing in reference to trade on Herndon farm. Witness thinks she understands the difference between an agreement to purchase property subject to a prior encumbrance and a clause in a deed taking a piece of property and assuming the mortgage indebtedness. Has learnt that difference since I had the trouble with these properties that I traded my farm for. Did not know this distinction at the time the trade was made and the deeds were delivered.

Asked whether she ever instructed Mr. Bachman to make any investigation for her concerning any of the representations which she had testified about, witness answered, "no." Thinks Bachman then lived in Washington, he formerly resided at Herndon, Va. He saw her frequently about the proposed trade before the trade was made; he advocated the consummation of it. Ninth and M Sts., S. E., property was subject to a trust of \$6,500.

Asked if she recalled any demand for curtailment for this trust immediately after the trade, witness testified that she did not recall

that. She does recall that Slater said \$500 would have to — paid on the Vermont Avenue property, a curtailment of \$500, reducing the trust to \$5,500, it was to the best of her knowledge, she thinks, after the trade was made. Thinks he never mentioned that before the trade was consummated. He said the trust was coming due very soon and he said that the people who held the notes wanted a curtailment of \$500, he said you must pay that in; that was on the Vermont Avenue property.

On cross-examination: Never met Slater except through Bachman. Bore no relations to Slater that were different from those that she bore towards any other individual; he had no particular duty towards her; he was not a friend of hers and she never intrusted him with any of her affairs. It was just a case then of a man having been introduced to her by her agent whom she had employed to make a trade of her property. Bachman had lived in Herndon. Her place was a
31 mile from Herndon. The families were merely acquainted.

Were not intimate. Had known Bachman between six and seven years, moved to Herndon in 1906, met him soon after and she knew he was a real estate agent; after he told her about Mr. Slater, she and her husband went to Mr. Slater's office in the Ames Building. Mr. Slater's agent Mr. Campbell took witness about the city and showed her various properties; Mr. Bachman did not go on that occasion. Witness and Bachman never went together to look at the property. Don't know whether he made any independent investigation on behalf of witness; don't know whether he told her that he had or not; he advised witness to make the trade. Witnesses' expression was "my agent, Mr. Bachman, was satisfied with the transaction, he appeared to be." Immediately after the contract was made, witness entered into the possession of the property and began to collect the rents on the Ninth Street southeast property, and moved into the Vermont Avenue property, where she and her husband have been living ever since, and has never been disturbed in the possession of it. It is now subject to a trust of \$5,500, having been curtailed \$500 soon after the trade was made.

Asked as to the physical condition of the Vermont Avenue property she stated, "it was in very poor order indeed; the house had to be renovated inside and out right away after we moved into it." Don't remember just how many times she went to see the property before she signed the contract. Went through it thoroughly though and inspected it, but did not see the back yard at all. Went from cellar to garret. Don't know the number of feet front it is. It is a brick house; three stories; just a basement and some cellar under it; has eleven rooms and one bath; quite an old house and is not modern at all; a very small lot. Property on 9th and M Sts., S. E., is a corner property; can't tell the number of feet there are in 1100, 1102 and 1104; there was a trust of \$6,500 on it at the time she took it; has not been curtailed \$500; it was just an ordinary house, an old brick building that had been used as a sort of a club house; then the build-
32 ing adjoining it was a frame structure very much out of repair; very shabby; at that time very much run down indeed, dilapidated. The club house he claimed was rented. It was

supposed to be a club house, and I was told he rented it for \$40 per month. Received just one month's rent after I took the house and he gave it up. There was another party took it for a little while, but could not do any business in it. Witness rented it to him for the same price. Witnesses' tenant moved out because he could not do any business. Could not rent the other house at all. That little old shack there was used as a restaurant. That was rented for a while at \$12 a month, I believe. Had another piece of property in Nelson County which belonged to her husband. That was not traded by her husband to Mr. Slater; her husband said he did not trade it, No.

Q. Did he sell it to Mr. Slater? A. This was the arrangement: that Mr. Slater and he were to go onto partnership together; that he was to sell this farm and he was to give Mr. Slater the moneys and go into partnership; and as partial security Mr. Ruggles took some houses, those Tennessee Avenue houses, only as partial security. She never saw the Tennessee Avenue houses.

Asked if she knew anything about them, she said they were mortgaged for all they were worth, and he never got anything out of them at all.

Asked how long her husband retained the title to those Tennessee Avenue houses, she said the parties who held the trust on those houses took them from Mr. Ruggles very soon after this transaction and collected the rents.

Asked what she meant by "very soon after this transaction" she testified, that it was a few months after they had gone into business together that the houses were taken from him. The parties who held the notes took the houses over and collected the rents and later on they were sold.

Witnesses' transaction with Slater with reference to the Herndon farm was on the 29th day of January, 1913.

Being asked who prevented her from finding out this matter of the frauds and misrepresentations charged in the bill more promptly than alleged therein, witness asked "who prevented me."

33 Q. Did Mr. Slater prevent you? A. No, there was no prevention. Had actual possession of the property after she got a deed to it and surrendered the possession of the personal property and the 15 acres. But did not make any investigation after taking the houses nor before it either, but the conditions were such that we found that the rentals were not sufficient scarcely to keep up the repairs. They were old houses out of repair. There was nothing in the houses at all; there was no equity at all; no income over and above expenses; did not find that out right away. Made no investigation to ascertain whether there were fraudulent representations; it dawned upon me after a while by degrees that I had been thoroughly swindled; cannot tell just the exact date.

Q. You mean that when you found out that you could not get as much for this property as you thought it was worth, it dawned on you that you had been swindled, is that what you mean? A. I never tried to sell it, because there was no chance to sell it.

Q. How do you know there was no chance to sell it? A. Nobody

wanted it. The parties who held the trusts were the ones who got the houses, as I understand it.

Q. Do you know anything about it? How about the property on Thirteenth and a half street, how about that? A. I don't know anything about that. Mr. Ruggles took that. Traded her Kraemer street house for a house on U street. Witness got one house on Kraemer street and Mr. Ruggles got another, and the property on Thirteenth and a half street. Can't tell the exact date when she traded her house on Kraemer street for the property on U street, but made nothing on trade; tried to save herself from foreclosure. It was sometime after she acquired it, but does not just remember the date. Perhaps it was two or three years afterwards; can't recall. Neither Mr. Slater or anybody else interposed any obstacle to her making an investigation as to the value of the property that she took for her farm. Took it without investigation and relied solely upon Slater's statements about
34 the valuation and equities. Did not rely at all upon her husband's judgment in the transaction, because he was just as ignorant as I was of the values of Washington property. He knew nothing about it. They knew nothing about the equities. She and her husband went out there and looked at this Kraemer street property. Thinks it is called Long Meadows, in the northeast section. Slater called it Long Meadows. Never went out there to collect the rent; she did not know one section of the city from another. Depended entirely on Slater's statements. Mr. Ruggles did that. Witness can't tell just how long it was. Can't tell when she first made complaint that Slater had defrauded and cheated her: first complaint was to a lawyer; somewhere about two years after the transaction. Has never been called upon to pay any money on account of the assumption of the trust because she got rid of the properties in order to save that, nor has she been called on to make up any deficit and she still lives in the property 1531 Vermont avenue.

Redirect-examination:

Is sure she traded her Kraemer street house for her house on U street. Rent for the Kraemer street house was \$22 a month and Mr. Ruggles collected it. Property on Vermont Avenue she is now living in with her husband is all that was left to her and her husband as the result of her trade with Slater of the Herndon farm, the personal property and the 15 acre farm.

By the Court: The matter of the disposal of the Herndon farm was taken up first in the summer or fall of 1912; the transaction was closed in the latter part of January, 1913.

Q. When did you come to Washington to live? A. March following, 1913.

Q. You lived then on your farm for a couple of months after the conveyance of it had been made. A. I just don't remember about how long. It was probably about that time.

Q. This conveyance was made as I recall somewhere about January 29, 1913. A. Yes, it was about two months.

Q. And you remained on the farm until sometime in March following? A. Yes.

35 Q. When you came to Washington to take up your residence in the Vermont Avenue house, is that correct? A. Yes.

Q. With reference to the execution of that conveyance, the deed to the farm, and the deed from Slater and his wife to you of the Vermont Avenue and M Street or Potomac Avenue properties, that occurred, as I understand it, on January 29th. How long before that was it that you first met Mr. Slater? A. It was in the summer of 1912.

And thereupon the witness testified that she first met Slater at his office accompanied by her husband. No agent with her. Discussed on that occasion the trade that was subsequently made, that is, that she would turn over the farm for the Vermont avenue house and the properties on M street. Don't remember that first occasion. Don't think I went to see them at that time; it was later when we looked at the property. Went to see the Vermont avenue property and the M street property in the autumn months. Mr. Ruggles was with me and I think I went alone once. I went alone to examine 1531, first, and then afterwards——

Court: Was that on the occasion of your first visit in the fall? A. No, that was later on in the autumn.

Court: I want to try to get in my mind, if I can, chronologically, just how the events transpired? I understood you to say just now that you met Mr. Slater in the summer of 1912, and at that interview accompanied by your husband you discussed with him the proposition to trade the Herndon farm for the Vermont avenue property, and for the house on M street? A. Yes, sir.

Q. That you came again to the city that autumn or fall? A. Yes, sir.

Court: And as I understood you, you and your husband looked at the properties at that time, now is that right? A. Yes, and I wish to tell you this, Your Honor, the property at 9th and M St., I did not get a chance to look it over thoroughly because the agent told me that the rooms were nearly all occupied, and I did not get a chance to investigate them.

Court: What I am trying to get at, is when you first saw it, Mrs. Ruggles? Was that on the occasion of the second visit in the
36 Fall, the visit that you made after meeting Mr. Slater? A. Not directly after. This trade was strung along for quite a while. On the occasion of this autumn visit I saw the house 1531 and the properties on M street. Mr. Ruggles and Mr. Campbell accompanied me on the first visit to these properties. Mr. Campbell was Slater's agent. That was in the Fall. I think I only went up once to the southeast property, M and 9th; I was there alone; that was on the

occasion of this Fall visit; saw the Vermont avenue property again before the trade was consummated; along about October. There were two visits to the Vermont avenue property in the Fall in 1912. Don't think I saw the Vermont avenue property more than twice before the trade was made. One I went alone, and once with my husband and Mr. Slater. On the occasion of the visit to the M street property, with Mr. Campbell, he told me that it was a club house; I did not get a chance to make any investigation because he said the rooms were occupied and I could not go in; he acknowledged it was very much run down; he said it needed considerable repairing and that it was very much dilapidated, he told me that on the occasion that I and my husband went down to the property and could not get into it. First time I went to the Vermont Avenue property I went alone; the next time I went with Mr. Ruggles and Mr. Slater. I was in the house; I did not see the back yard at all, nor the shanties in the rear. Mr. Slater said it was a very fine, valuable property, worth \$15,000.

37 Court: Did Mr. Slater make any statements to you as to the condition of the property, I mean, as to its physical condition at the time? A. No.

Court: He did not make any statements? A. No.

Court: And you went in there? A. Yes.

Court: You saw its condition, and then how soon after that final visit to the Vermont avenue property was it that you determined to go into the transaction? A. Well, it was early in the winter of that same year.

Court: And then the conveyance was made? A. Yes.

Court: How soon after the conveyance of January 29th, was made was it that you knew that your husband took office room with Mr. Slater? A. It was later in the Spring of the same year, a very short while after we had occupied the Vermont Avenue house. I think my husband went into Slater's office in April, 1913. He was there several months, possibly a year waiting for him to do as he agreed, to start the business, you know. Kept waiting for him all the time, and still there was nothing doing. My husband remained in this occupation of offices with Slater from April, 1913, several months, possibly a year. No business was transacted as far as I know between my husband and Slater; none that I heard of at all. And in order to get rid of my husband and put him out he closed up the office and moved away, and my husband had to take his desk and bring it up to the house; he did that to get rid of him, you know. It was under those circumstances he left.

Court: During the period that your husband was there, so far as you know personally, not told you by others, but so far as you know, did your husband take up the matter with Mr. Slater of the business partnership? A. Yes, he insisted on it. Frequently he

38 spoke to him about when he was going to start business.

Court: You know that of your own knowledge? A. Yes. Slater kind of put him off, giving as his reason, business not being very good or something like that. Husband and Slater never trans-

acted a piece of business that witness ever heard of. Husband left when Slater put him out—closed the office, gave it up and her husband was obliged to move out and bring his desk to the house. After he got his \$14,000. there was no business doing, you know. Thinks Nelson County farm was sold in March, 1913, and before she came to Washignton to live, and after the 15 acres and the personal property on the Herndon farm had been sold. All three transactions had been consummated before we moved to Washington.

Court: That is all.

And thereupon the witness testified that the reason the suit was delayed was the lawyer she employed tried to get Slater indicted. He tried to have an indictment, and there was quite a time elapsed before the District Attorney had made a decision about it; that is why the starting of this civil suit was delayed. The delay in filing of the civil suit was on the advice of the attorney and after he had been consulted, and as witness understands it, because the attorney was awaiting the outcome of the District Attorney's action.

On recross examination, the witness testified that the District Attorney had the papers there a long time and refused to act or to issue a warrant against Mr. Slater, and that her attorney was W. Gwynn Gardiner.

WILLIS R. RUGGLES.

Willis R. Ruggles, husband of the last witness. First met Mr. Slater, think it was late or early in the Fall of 1912. I met Mr. Bachman in the Ames Building and he introduced me to Mr. Slater. Don't remember exactly when it was that Slater paid a visit to witness and Mrs. Ruggles on the farm at Herndon; it was sometime in the Fall of 1912.

Q. What did he have to say on that occassion with regard to business in Washington. State very fully what he had to say? A. I don't remember whether it was on that occassion that he represented to me that he could make—

Q. Well, on what occassion did this conversation occur? A. It may have been when I met him later in Washington. He represented to me that—well, in the first place, we only discussed the trade. When he came to see us at the Herndon farm, I think he came with Mr. Campbell, and he then only discussed the trade. I think he only came to the door; came to the house and stood on the porch and looked over it; I don't remember his going over the farm any. He told us that he had any amount of property in Washington, and wanted us to come in and look it over, and he left after the discussion went that far. We next saw him again in Washington at his office.

Q. Was it on this next occassion that he talked with Mrs. Ruggles or with you about going into the business with him in Washington? A. I believe my wife came in next and looked over some properties in Washington, with him.

Q. (Question repeated.) Was it on this next occassion that he

talked with Mrs. Ruggles or with you about going into business in Washington? A. I think not.

Q. You say on this occasion Mrs. Ruggles went out to inspect the Vermont Avenue property with him? A. No, not the Vermont Avenue property. She looked at some other property before that; before she looked at this.

Q. Tell us when it was after he visited Herndon that you and Mr. Slater and Mrs. Ruggles inspected any property together? A. I don't think we ever inspected any together. I think my wife came first and I came by myself. It was a little hard for us to leave together, to leave the farm.

Q. Did you in company with Mr. Slater or in company with any one representing him ever look at any properties that he offered to trade for the Herndon Farm? A. My wife looked first at some.

Q. You were not there? A. And then I looked. He took me
40 around in an automobile and showed me what appeared to be something like half a million dollars' worth of property all over the City that he said he owned.

Q. Did he take you up to see either 1531 Vermont avenue, or down to the Navy Yard to see that property? A. Not at that time. No.

Q. Did Mr. Slater ever discuss with you the matter of any business arrangement with him? A. Yes, later.

Q. When? A. About the time or soon before we made the trade for our Herndon farm.

Q. Who was present? A. I don't know whether my wife was present the first time he mentioned it or not, I think not.

Q. On that first occasion, state what Mr. Slater said with regard to any joint business venture? A. He said we could make an awful lot of money loaning money on real estate, or discounting notes, three per cent a month, and that we could take our notes to the bank that we bought and discount them and rediscount them, and there was no end to the capital that we could keep going that way, and make barrels of money. We could make three per cent a month in the way of interest. He said that he knew all the men in Washington that were responsible who would want to discount their notes and he said he would refer them to me to buy the notes. He wanted some one to go in with him, he said, who was sober and reliable: that he could get any number of men to go in, but that the men he could get were drinking men and that he wanted a man who was sober.

Asked for the next occasion when this subject was discussed witness said: "well on every occasion that I came to the City, came to his office he filled me up with this." On one or two occasions Mrs. Ruggles was present.

Asked what Slater said with regard to real estate investments, witness swore that Slater said he knew all about real estate
41 values, and he had opportunities to get property a way down very cheap and get bargains and we could make money that way. He said that we would put up an equal amount and go in the business together on a 50-50 basis. That is practically all he said

about joining with him in business. On every occasion I saw him he painted a rosy view of the loads of money we would make in this business. There was proposed an arrangement about the holding of title to properties bought under the proposed business union with Slater. He frequently assured my wife that there was no way in which we could lose by putting up money with him; that he would put everything in my name; all our business, all the real estate would be put in my name and I could handle all the money, do all the business and could not lose.

Asked when it was that he decided to accept the proposition as outlined and go into business with Mr. Slater as proposed by him, witness answered, "it was at the time we made the trade for our Herndon farm. We first made the trade for the Herndon farm, and then I went to take a trip down to Richmond to discount the notes that I had on some Richmond property which I had sold there for \$7,000. The face value of the notes was about \$4,000. I think I discounted them about \$100 each. I got the cash for these notes. Then I went to Nelson County and sold that farm. I got \$11,000 for it. I think there was \$4,000 cash paid down, it was either \$4,000 or \$2,000 and a \$4,000 note and a \$5,000 note, but it may have been \$2,000 cash paid down and a \$4,000 note, and a \$5,000 note. I think it was \$4,000 cash paid down; I think I sold this farm in March, 1913. Yes, it was a very fine farm, worth very much more than I got for it. It had a 20-acre Albemarle pippin orchard; a young orchard coming into bearing; several new frame tobacco houses; a very fine farm. Would say that it was worth at least \$15,000 at the time I sold it. Slater wanted to trade for my farm, he urged me to trade it; he wanted to trade several pieces of property in Washington; showed me several pieces of property that he wanted to trade for, but I told him that I would not think of trading it for one piece in particular with these six houses on Tennessee Avenue; I told him that I would not think of trading. Believes he did sign an agreement with Slater to trade for his farm.

Mr. Duvall, attorney for the plaintiffs, then called on counsel for defendant to produce the paper writing which was marked
42 "for identification H. G. W. 1 and 2" on cross examination of Mrs. Ruggles, and then handed to the witness the paper, the signature- to which, his own, and that of the defendant, John G. Slater, the witness identifies; it was introduced in evidence and read by witness is as follows:

"February 18, 1913.—I hereby agree to trade my farm in Nelson County, Virginia, known as the George Woods Farm, to Mr. J. G. Slater, for six houses as follows: Six houses starting at 519 Tennessee Avenue, Northeast, subject to trust of"—(can't be made out; scratched out—remarks by witness) "said farm to be clear of incumbrance. (Signed) W. R. Ruggles and John G. Slater."

And under it, "Accepted", and under that "Witness as to both signatures, Charles W. Handy."

By Mr. Duvall:

Q. As to the erasures or interlineations, or crosses in there, were they in there before you signed it, or were they put in there subsequently; do you know? A. I don't know.

Mr. Poe: In whose handwriting is the whole paper, Mr. Ruggles?

Mr. Duvall: Mrs. Ruggles says it is in his handwriting.

Mr. Poe: I asked him.

The Witness: I think most of it is in my handwriting.

By Mr. Duvall:

Q. What I have reference to is the crossing out of the amount of the trust to which the Tennessee Avenue houses were supposed to be subject. A. I don't think that was crossed out at the time.

Q. What if anything did you do in pursuance——

Mr. Poe: Have you offered it?

Mr. Duvall: It has been read in evidence.

Mr. Poe: I want your Honor to see it. The witness says he don't think anything is crossed out, and neither do I.

Mr. Duvall: There is something crossed out and it shows that a formal paper was executed there for a trade of this magnitude.

Mr. Poe: Nothing formal when signed by both people?

The Court: Get along.

43 Well I demurred to signing any such paper because I did not agree to any such trade at all, and he said, "well that was immaterial, it did not amount to anything, and that he would put into my hands any amount of property to secure me amply and that signing that paper did not amount to anything and misrepresented it to me, and I took a great deal—had a great deal of confidence in him and just signed it on his representation or misrepresentation. The agreement was never carried out between us." Nothing whatever was ever done by witness under this paper writing. "I sold the farm and brought the money and turned it over to Mr. Slater, the money and notes, or rather I put it up on several different occasions with the understanding that he was to put up a like amount, when we were to go into business together and buy notes."

Plaintiffs' attorney, Mr. Duvall, then offered the following letter in evidence:

Washington, D. C., March 3, 1913.

My Dear Mr. W. R. Ruggles:

"Yours at hand. Do try and make the sale. If you have to take less sell for we can make more with the money now than at any other time, so try hard and sell. I hope you and wife are well.

"Yours friendly,

"JOHN G. SLATER."

After I sold the farm, besides handing over the notes and some cash which I received on disposing of the farm, I got a desk and moved into his office all under the arrangement to go into this business venture with Slater. It was just two rooms, two small rooms in the Ames Building. The first business transaction that we had together after starting in business was this: while I was in Nelson County selling the farm, negotiating for the sale, he initiated several purchases here in the city, one of which was for equities in three houses on 13th street Northwest, and one for a farm near Bowie, Maryland, and a piece of property on 14th street a business property, and one on Seventh street. When I came back from selling the farm, I put some money in the Continental Trust Company; I had an account with the Herndon Bank and with the Nelson County Bank. I drew some checks and gave them to Mr. Slater. The checks produced were as follows: One on the Bank of Nelson, March 15, 1913, order of John G. Slater, \$825.00.

March 18, 1913—same bank—same payee—\$1,000.00.

March 26, 1913—Continental Trust Company—same payee—\$3,175.00.

March 31, 1913—Continental Trust Company—same payee—\$1,500.

April 2, 1913—Continental Trust Company—same payee—\$1,500.00.

Counsel for defendant admitted that defendant had received the amounts on foregoing checks.

These checks represented money turned over to Mr. Slater.

Q. Well, for what purpose? A. Some of the money was to reimburse him for the payment he had made on some of these deals that he had started, I don't remember just how much, I know that I discounted notes for \$4,000, and that I had about \$1,500 in the Herndon Bank and I sold that farm for \$11,000, so that altogether I know that after I got through, I did not have but about \$1,100 or \$1,200 in the Continental Trust Company after turning the money over to him, but some of this money was paid out on stuff that he was buying for the firm.

Q. Was the 13th street property bought for the joint interest of yourself and Mr. Slater? A. That was the understanding at the time it was bought.

Q. Was there any payment made as a deposit on the purchase of the 13th street property, and if so, by whom? A. I don't know whether I paid the money to Mr. Slater and he paid that \$1,500 or whether I paid it directly to the real estate man.

Witness further testified that he had all the checks to Slater that he could find after diligent search, and in addition to the checks already mentioned, stated that he gave one Feb. 15th, 1913, for \$150 to Slater on the Bank of Herndon, as shown by the stub of his check book. One on March 18, 1913, for \$700.00, on the Bank of Herndon; March 21, 1913, \$300; March 25, 1913, \$450.00.

Asked as to the purpose for which these checks were to be applied

he answered that whenever Slater wanted money he called on him, but does not remember in every instance just what the check was for. Asked if he ever purchased any notes at Slater's direction, he answered: "I purchased one from Henry Lamson."

45 This note bought at Mrs. Slater's advice was read into the record by Mr. Duvall and is made by D. A. McDonald and endorsed Charles W. Slater, is dated Phila., May 26, 1913, \$500; "four months after date to the order of Charles W. Slater"; also endorsed "without recourse excepting \$100." H. Lamson.

Slater told me to buy it, and to offer him \$350, but I got it in my head that it was \$450, and I offered him \$450, and that is what I gave him. Paid for it by check.

Q. I will ask you to look at this check. (Witness identifies the check as the check that he gave for the note dated July 8th.) Charles W. Slater to whom the note was payable is John G. Slater's son. The note was never paid nor was the \$100 that Lamson admitted his liability for. Business with Mr. Slater never produced any return that I can recall, except that I advanced money on checks for one or two people like J. J. Lampton and he paid a little interest on that transaction. Five additional checks here produced were what they call "kited checks." The checks referred to were introduced in evidence and are as follows: March 26th, \$5.00; May 20, \$40.00; May 24, \$65.00; June 24, \$50.00; July 7, \$125; all in 1913 and to the order of John G. Slater; had a desk in his office up to about the middle of the winter 1913-'14, I think. My financial condition was getting very low at that time; it was very low indeed; at this time I moved the desk. Along in the summer of 1913 I saw that I was not getting anything, I saw there was no business and it looked like I was "done up," and I got after Mr. Slater about business and to keep me satisfied, as I know now it was for that purpose, he turned over to me stock in the Kehoe Typewriter, of the par value of \$25,000, which he had previously impressed upon me as being something of great value. He told me about the Kehoe stenograph, that some of the best men, big multi-millionaires like Stetson were interested in this concern, Stetson was a Philadelphia man, and they were pushing it and it was going to be a money maker, a big thing, millions in it, and I took a great deal of stock in it from the representations that he made. His son came from Philadelphia, he had a check for \$100.00, he told me that—I believe that he said, Mr. Stetson wanted to get all of that
46 stock that he could, and he offered me the par value of \$25,000 and offered me this check to bind the bargain. Mr. Slater came to me later and said that the stock had to be registered, I mean the defendant Slater; I turned the stock over to the son to have it registered, as he said, and that is the last I ever saw of it. Took the following receipt for it:

"2200 Q Street N. W.

"March 19, 1914.

"This is to certify that W. R. Ruggles has delivered to John G. Slater, 250 shares of the stock of the Kehoe Stenograph Co., of the par

value of \$25,000, to be forwarded to the office for registration, and to be returned to him in new stock."

(Signed)

JOHN G. SLATER.

Nothing was ever done with regard to the return of the stock except that I repeatedly called on Mr. Slater for the stock and he gave me some excuses for it not being—they were reorganizing the company, he told me, at one time. I went up to 2200 Q St., his house, about it and got this receipt. He signed it. Mr. Slater got hurt in a heavy wind; had been hurt in the shoulder; along in the Fall Slater began to complain about business being bad, that the real estate market was all going wrong, that real estate values were low, and he appeared to be very much depressed and on one or two occasions spoke of killing himself. Slater has never rendered any sort of account to me or Mrs. Ruggles of these moneys which we turned over to him. Made an effort to get an accounting through a lawyer later. After he gave me that stock I thought that I was all right. I think I was present when Slater first visited the Herndon farm; he came with Mr. Campbell, I think. He made a casual inspection of it from the porch. I think at the next meeting after he was there we signed an agreement or made an agreement, I don't remember whether we signed any agreement or not, but we agreed to the trade or trades of the Herndon Farm.

Q. What was said by Mr. Slater with reference to the property at 1531 Vermont Avenue, and with regard to the 9th and M Sts., property S. E., and with regard to the Kraemer street property? A. He

told us that the Vermont avenue property was a very fine place, something fine, he said, worth \$12,000, and a \$6,000 trust on it;

47 and the place down near the Navy Yard he said was—he said

there was a boulevard, the Lincoln Boulevard had been provided already in the law; he can't—the law had passed providing for that and work had already been started on it, and it would go by there inside of a year and make that a very valuable property. He said it was worth \$14,000 at that time; he said there was \$6,500 trust against it; he said it would be worth \$50,000 when the Lincoln Boulevard passed by there. He said he could get a liquor license there and get a big rent. I should think the property is 80 or 90 feet from the Navy Yard place or wall. Don't remember that he said anything about when the trust on the Vermont Avenue house would mature. Nothing was mentioned with particular reference to the indebtedness on Mr. Slater's property, whether or not we were trading for the equity or to assume to pay the indebtedness then on the property. The farm was worth at least \$12,000, and Mr. Slater was trading his equities for that farm. Think it was about the same time that the personal property and the adjoining 15 acres were traded. He gave two houses on Kraemer Street, and a house on Thirteenth and a half st. northwest for that land and personal property. He said they were worth \$2,600 apiece and each were subject to a trust of \$1,500. That 311 13½ Street was worth about \$4,800 to \$5,000 and had a trust of \$3,500 on it. The payment of the commission of \$500 to Bachman, was to pay

him for his commissions on the whole trade, I think, the trade for the farm at Herndon and the adjoining land and personal property. That was in full to him on these trades. We got \$15.00 a month for a while as rent for the Kraemer street houses and then they became vacant and we had to reduce the rent to \$14.00. One of the Kraemer street houses was conveyed to Mrs. Ruggles and the 13½ street property and the other house on Kraemer street was conveyed to me. We held the Kraemer street property until the Spring of 1914, and Mr. Smith who held the trust threatened to foreclose, I think the trusts were coming due. I tried to get him to extend the loan. I got Mr. Handy—young Mr. Handy—to make a sale for a nominal sum, I think he got \$25.00 for two equities from Mr. Williams. I
 48 attended to that transaction. Mrs. Ruggles had nothing to do with it other than to execute the deed, though she knew of it. Mrs. Ruggles was mistaken when she testified that she traded her house for the U street property, she had forgotten about that. It was the 13½ street property that was traded for the U street property. I made that trade. It was 1763 U street. It went the same as all the rest. The trust fell due and Mr. Worthington would not renew the loan and we tried to make a trade in the same way and did make one for an equity out in Virginia, and didn't get a cent out of that though. That Virginia property was foreclosed. Mrs. Ruggles had a dower interest, I suppose, according to the laws of the State in the Nelson County Farm.

By Mr. Duvall:

Q. What, if anything, did Mrs. Ruggles, have to do with the deed for the transfer of the Nelson County Farm? A. She signed the deed.

Q. Then, as to the proceeds from that farm, was there any understanding between you and Mrs. Ruggles?

Mr. Poe: I object to that, if your Honor please.

Mr. Duvall: I think it is perfectly proper, if the Court please, to show that these parties, husband and wife, had a community of interest in these properties; that with that understanding be-
 49 tween these parties, not only the dower interest in the farm, but the proceeds from it, was their joint holding, and I think that situation may be shown, that it had quite a deal to do with the arrangement for this partnership.

(After argument.)

The Court: I do not understand the theory upon which you can show they had some understanding between them that she was to share in a specific amount——

Mr. Duvall: Not as to a specific amount. I asked him as to whether she had an interest in the proceeds from that farm, and if there was such an understanding between them; not whether it was a fifty-fifty arrangement or not, but whether there was an understanding between them whereby she was waiving her dower. She said that "we" went into partnership.

The Court: I will let you show that, subject to a motion to strike out that piece of testimony later.

By Mr. Duvall:

Q. Do you understand the question?

Mr. Poe: Your Honor will give me an exception to that?

(The question referred to was thereupon read by the reporter as follows:)

Q. Then as to the proceeds from that farm, was there any understanding between you and Mrs. Ruggles? A. There was. We understood that we were to share alike, not only in that, but in everything else.

Mr. Duvall. That is all I ask, as to that particular farm there.

Mr. Poe: Now, I move to strike it out, if your Honor please.

Mr. Duvall: I will dispose of that.

By Mr. Duvall:

Q. Did you know of any arrangement between Mr. Slater and Mr. Bachman as to any commissions on those trades? A. From Mr. Slater to Mr. Bachman?

Mr. Duvall: Read the question.

50 (The question referred to was thereupon read by the reporter, as above recorded.)

By Mr. Duvall:

Q. At Herndon, Va. A. No; I did not.

Q. Did you ever learn of any arrangement between them? A. Not until Mr. Bachman mentioned it.

Q. What is Mr. Bachman's name? A. J. W. Bachman.

Q. Did he conduct the real estate business in Virginia also? A. Yes; he did a little real estate business there.

Q. Were you present when the properties there at Herndon were placed in his hands for sale or trade? A. I think so.

Q. After Mr. Slater made these propositions for the Herndon farm and the adjoining land and the representations as to the value of his properties, which he offered in trade, what, if any, investigation did you make as to the truth of those statements? A. I went with Mr. Slater to look at the property. That is all the investigation I made.

Q. Did he repeat the statements on the occasion which you have already testified to? A. He did.

Q. What knowledge had you as to real estate values in Washington at that time? A. I had no knowledge.

Q. Had you ever lived in the city? A. I had lived in the city twenty odd years before that, for a short time.

Q. Did Mr. Bachman ever make any investigation of any of Mr. Slater's statements, so far as you know? A. Not that I know of.

Q. Did you ever instruct him to make any independent investigation?

Mr. Poe: I object to that.

51 Mr. Duvall: The Court allowed that question with regard to Mrs. Ruggles, if your Honor recalls, as to whether she ever made an independent investigation.

The Court: Objection overruled.

Mr. Poe: Your Honor will give me an exception.

The Court: Yes.

By Mr. Duvall:

Q. What if any information, suggestion or advice did Mr. Bachman give you with reference to the Kraemer Street properties and the 13½ Street property?

Mr. Poe: I object to that.

Mr. Duvall: Let me amend that one minute. I did not get it as I wanted it.

By Mr. Duvall:

Q. (Continuing:) —to the trade for the Kraemer Street house and the 13½ Street property?

Mr. Poe: I object to that. Mr. Kraemer is alleged to be the plaintiff's agent.

Mr. Duvall: Of course we allege that—not Mr. Kraemer. Kraemer is a house.

Mr. Poe: I mean Mr. Bachman is alleged to be the Plaintiff's agent.

(After argument.)

The Court: On the theory that you are going to follow it up, I think this would be admissible.

Mr. Poe: I note an exception.

The Witness: I do not recall that he made any particular recommendation as to part of the trade. He advised us to make the whole trade.

By Mr. Duvall:

Q. To make the trade in relation to those properties, the Kraemer Street and the 13½ Street properties, as well as the other? Q. He advised the trade.

Mr. Duvall: That is all. You may cross-examine.

52 Cross-examination.

By Mr. Poe:

Is 60 years old and had lived in Virginia from 1907 to 1913. Came from Washington to Virginia. Had lived in Washington six years, in the northeast. Not so very far from the Kraemer street property. Did not know anything about the Navy Yard property; had no occasion to go down there; had been away from Washington so long did not know anything about the place there. Was a printer in the Government Printing Office when he lived in Washington. When he went to Virginia engaged in farming and kept a dairy at Herndon. Yes, sold milk in Herndon, delivered milk in Herndon. Asked if he was a business man then, witness replied, "I guess you might call me that." Acquired the Nelson County farm about 1900. Had that farm over twelve years. Sold it to Mr. Foster. Had the Herndon farm from sometime in 1906. Sold the farm at Herndon because Mr. Ruggles wanted to come to the city to live. "Mr. Slater did not importune but I think——." He did not look at it. Saw him for the first time in the Ames Building when witness was introduced to him by Bachman; after that he went out to the farm. Don't remember taking him and showing him the farm. "I may have done so but I am not certain." It was after he had been out there that witness went to his office, and he showed witness various pieces of property that looked like a half a million dollars' worth. "His object was to show me something that he could trade." Pieces of property that he had which witness might select to trade for the farm. One was the Duckett house at the corner of 22nd and Pa. Ave., N. W. "I think Mrs. Ruggles and I went and examined that. Mrs. Ruggles and I did go and look at 1531 Vermont Avenue and selected that. Slater told me that was worth \$12,000, and he told me that it had a \$6,000 trust on it; it did have a \$6,000 trust on it. It was twenty-three feet front on Vermont Avenue, eighty odd feet deep, it is not a corner house but next door to a vacant lot on the corner." Witness lives there still, and has made a curtail of \$500 on the trust. The owner of the trust asked for a \$1,000 curtail. The trust was not extended at the time of the curtail. It was
53 curtailed in the Fall of 1913, I think. "We extended the trust about two years ago, a year and a half or two years ago." Witness thinks the trust did not fall due at that time.

Asked how could anybody call for a curtail of a trust before the principal matured, he answered: "he had—as I understand it—Mr. Matthews had an arrangement with Mr. Slater that it had to be curtailed \$1,000, he would not carry it without a curtail of \$1,000."

Q. Was that a paper of record? A. No, that was Mr. Slater's—he told us that.

Q. Mr. Slater told you that then, did he? A. Yes sir.

Q. So he did not conceal that fact from you and you did curtail it \$500? A. Yes.

Q. As to the property 9th and M streets S. E., he told you that property was worth \$14,000? A. Yes.

Q. And that it had a \$6,500 trust on it? A. Yes sir.

Q. Did it have a \$6,500 trust on it? A. Yes sir.

Q. That he had a tenant in it who was paying \$40.00 a month? A. Yes sir. He told me that I could get a liquor license there. He said that if we had a liquor license it would pay double the rent.

Q. He told you that provision had been made by act of Congress for the Lincoln Boulevard? A. Yes sir. I understood him to mean that it was to go by there. I am very sure that he called it the Lincoln Boulevard. (Counsel for defendant concedes there is no Lincoln Boulevard there.) There is a street along there now, M street. I think I only went there to look at this property once before making the trade. Paid the interest on the \$6,500 encumbrance two or three times, don't remember how many times. We had it I think, only to the Spring of 1914. About a year and two or three months. Took possession about the 29th or 30th of January, 1913, a little later. There was no difficulty about Mr. Slater giving possession of the property, and there was no difficulty about our giving possession of the farm. Sold the 9th and M streets property to George S. Rees.

Q. Now the Kraemer Street property, Mr. Ruggles? A. There was a trust of \$1,500 on each. Don't remember how long it was that he retained possession and collected the rents from these
54 houses. Think it was until the Summer or Winter of 1914.

Disposed of them about the same time that we disposed of the 9th and M Street property to Mr. Rees. Property on 13½ Street was subject to a trust of \$3,500. Mr. Slater said it was worth \$4,800. Traded that property for a piece of property on U street, I think in the early Summer of 1913. Had it only a short time, three or four months. Paid the interest on the \$3,500 trust if it came due, think it came due while I had it. I think I got \$25.00 a month rent for it, \$25.00 or \$30.00, I don't remember.

Q. What representations did Mr. Slater make in reference to that property or the Kraemer Street property which were not true?

A. Representations as to the value; that it was worth very much less than he represented.

Q. His representation was then solely as to the value and not as to any condition which did not exist excepting, in your judgment, as to value. Is that what you mean? The property was there, the description was there, and the encumbrances were there as he stated?

A. Yes, but he gave us to understand they were worth much more than they were.

Q. You went and looked at them, did you not? A. I looked at them, yes.

Q. You did not know Mr. Slater particularly well, and Mr. Slater did not know you any more than one man in business dealing with another, did he? A. No.

Q. You occupied no confidential relation with him, did you, at that time? A. No; but he had—he seemed to exert a kind of spell over me, somehow——

Q. Hypnotized you? A. No, but he had—he seemed to exert a kind of spell over me, somehow——

Mr. Duvall: Did you finish with your answer, Mr. Ruggles?

The Witness: Well, I could elaborate a little more.

Mr. Duvall: We do not want an elaboration if you feel that you have answered the question.

The Witness: I think so.

Q. Do you mean to say that when you were dealing with
55 Mr. Slater he had such an influence over you as to destroy
your intelligent judgment with reference to the ordinary af-
fairs of life? A. Well, he did that, whether he——

Q. What? A. He did do that very thing.

Q. He did not prevent your going and investigating for yourself,
did he? A. No.

Q. Did he suggest that you should not look at the property?
A. No.

Q. Didn't he go with you and look at it with you? A. Yes.

Q. Didn't he let you go by yourself and look at it? A. I could
have gone, but I did not.

Q. Didn't you go? A. No.

Q. Not to the Kraemer Street, but you did to the other properties,
did you not? A. 131½ Street property; I went to look at that once
or twice.

Q. To 1531 Vermont Avenue you did, did you not? A. No sir.

Q. Never went there by yourself? A. No, not before the trade.

Q. Didn't you and Mrs. Ruggles go there before the trade, without
having Mr. Slater with you? A. I don't remember my going with
her.

Q. Did she not go by herself or with Mr. Slater? A. She may
have done so; I think she did.

Q. You went down to the Potomac property with Mr. Campbell
and your wife, did you not? A. I think so.

Q. And Mr. Campbell told you that the property was in bad con-
dition, did he not? A. No, sir.

Q. How about Mrs. Ruggles? A. I don't remember him saying
anything of the kind.

Q. Mrs. Ruggles happens to have remembered that he did, but you
do not remember that? A. No.

Q. Do you remember his saying that you could not go in and make
an investigation that day because it was occupied? A. No; that
was—my wife went to see it before I did.

Q. You do not know anything about it then? A. No.

Q. When you went to see it there was no obstacle placed in the
way of investigating it, was there? A. No, I think not.

Q. About how many square feet in that property. Give us your
best recollection? A. I think it is a large frame building, I
56 think about twenty feet front, and the other one is about
twenty-five feet. The large one I think is about seventy feet
deep and the other one about twenty-five. The improvements were
just piles of brick. The improvements were worth nothing.

And thereupon the witness testified that the ground itself was the
only thing that had any value, and that had a trust on it of \$6,500,

of which witness was told at the time of the trade. The corner lot has a frame; the others you can call them houses, brick buildings; they were built originally for dwelling houses; I thought they were dwelling houses when I looked at them. I was not much of a judge at that time.

Q. What made you a better judge since? A. I have had a little more experience since I have been in the city. I know they are nothing but out of date buildings of no use except to be torn down. They are eighty feet from the Navy Yard wall, and one square from the Navy Yard gate, and are on M Street on the corner of Ninth. They were originally two brick buildings and one frame shack. Don't remember what they were assessed at. At the time of this transaction I believe I looked up the assessment. Believe I went to the Tax Office to see what they were appraised at. May have gone—don't know that he did. The negotiations for his farm (Herndon farm) began some time in the late Summer or early Fall of 1912. Mrs. Ruggles and I did not look very much into the change that we were going to make and the consideration which was moving us to make it, or go over it and look into it. I suppose I could have looked more thoroughly. I could have done so.

Q. Do you not know that you could? A. Yes.

Q. Mr. Ruggles, a paper was shown to you yesterday and offered in evidence, dated February 18, 1913, which you identified as being wholly in your handwriting, and which purports to be an agreement between you and Mr. Slater with reference to the Nelson County farm. A. I did not say it was wholly in my handwriting. I think there is—that is not my handwriting (indicating).

Q. The witness' signature is not your writing, the "John G. Slater" is not your handwriting, but the body of it is in your handwriting? A. Most of it.

Q. Do you see anything that is struck out there? Did you strike out that \$13,000, or is that intended to remain in there—\$13,200, I think? A. I do not think I struck it out; I don't remember.

Q. That is kind of a blur on there, in your judgment? A. No, I think someone has stricken it out.

Q. You think somebody has stricken it out? A. Yes, sir.
57 Did not get a deed for the Tennessee avenue property until long after the paper dated February 18, 1913, was executed. Went into possession of the Tennessee Avenue houses about that time. Did not get into possession in pursuance of the contract of February 18, 1913, but because he turned that property over to me as he told me along with other property that he was going to give me to secure me. Turned it over near about the middle of March, 1913. The contract was never carried out. It was not carried out; that was never carried out.

Q. What do you mean by "carried out"? A. I never made the trade. I say, he turned the Tennessee Avenue houses over, put them in my name to secure me.

Q. Secure you for what? A. For money that I put up.

Q. Had you put the money up before he gave the houses to you? A. No, I don't believe I did.

Q. He gave you the houses before you gave him any money?

A. No, he did not.

Q. What money did you give him before you got the deeds to these houses? A. Fourteen or fifteen thousand dollars, I think. Paid him long before I got the deed. Asked if Slater during that time had ever paid witness any money on witness' account he answered, "he had paid me some money, how much I don't remember."

Q. Up to November 1914 you had paid him more than \$15,000?

A. No, before I got possession of the houses.

Q. You say you have a deed for these houses?

Mr. Duvall (interrupting): Yes, I have the deed here that corresponds somewhat to what your questions contain.

Mr. Poe: Let us see the deed.

Mr. Poe (continuing): This appears, if your Honor please, to be a deed, dated the 26th day of September, in the year 1912, by Fred B. Rhodes to Willis R. Ruggles. It seems to be dated September 26, 1912.

Mr. Duvall: Read the changes to the Court; everything that appears.

Mr. Poe: I am going to because I am going to explain it.

Mr. Duvall: It is incumbent upon you to explain it.

Mr. Poe: Certainly; the 5th day of November, 1912. So it antedates his contract. I had never seen it before but I understand what the explanation is. It was recorded May 21, 1913.

The Witness (resuming): I received from Mr. Slater some time in May, 1913, the deed from Mr. Rhodes and his wife bearing date September 26, 1912, acknowledged the 5th day of November, 1912, and left for record May 21, 1913. I do not know why I did not receive it before. I do not know why Mr. Slater was delayed in giving this deed. I think each of these houses is subject to a trust of \$2,200. Asked if these houses were not each subject to two trusts, one for \$1,600 and the other for \$600, the witness replied: "The first trust was for \$2,200, I believe." The deed above referred to was offered in evidence marked "Ruggles Exhibit 1." I think I paid Slater in all over \$18,000.

Q. Was that on account of purchases from him or on account of advances made by him? A. He made some advances while I was in Virginia.

Q. Did he ever return you any money that you gave him? A. Some; I can't recall how much.

59 Q. How much do you claim that the balance on that kind of an account would show Mr. Slater indebted to you? A. I know that I had—I got \$11,000 for the farm and I had about Six or seven thousand dollars in money. I turned most of that over to him, and I know that after I got through with him I did not have anything.

Q. When you say, "your farm," which farm do you refer to? A. The farm in Nelson County. I did not first get permission from him to sell it, no sir.

Q. You had not entered into a contract with him before that to sell

it to him in consideration of these six houses on Tennessee Avenue?

A. I did not complete any contract if I entered into it.

Q. You had entered into that contract with him, had you not?

A. I signed such an agreement, but I changed my mind.

Q. You wrote such an agreement, did you not? A. Wrote it and signed it, I guess.

Q. You broke that contract? A. It never was carried out. Never asked Slater's permission to sell the Nelson County farm because the contract with reference to it was not carried out. Signed that contract under misrepresentation made by Slater. The Tennessee Avenue property was put into witnesses' hands, as security for money turned over to Slater. He gave me a deed to that particular property. A deed from Fred B. Rhodes and wife which was delivered to me in May, 1913. Entered into possession of that property and collected rents on it. The six houses were occupied part of the time. They rented for \$20.50 a month each. They were all inside houses. No, I guess one was a corner house. The trusts of \$2,200 each were in the Perpetual Building Association. Applied the rents to the payment of the Building Association trusts. At first all that was required was interest at 6%, and then soon after the property was put in my name Mr. Carr of the Building Association demanded that one-half of the payments should be applied to interest and one-half to principal. When I took this property Slater told me that all I would need to pay was the interest 6%, and that the trust would run indefinitely. But after taking over the houses

60 they demanded possession of them. I did not have the money to pay the extra money, interest and principal, so they took the houses out of my hands and collected the rents in the Fall or Winter of 1913. Don't think I had them as long as eighteen months before they were taken away from me. Believe I got possession of the property about two months before I got the deed. About a month or so after we took possession of 1531 Vermont Avenue. It was sometime after moving in or after taking possession of the Vermont Avenue house, considerably later. Slater got \$11,000, being proceeds of the sale of the Nelson County farm, and in addition to that upwards of \$6,000, making in all between \$17,000 and \$18,000. I got \$2,000 in cash and \$9,000 in notes for the Nelson County farm, and I gave the notes to Slater and he had them discounted I guess. I got no proceeds from Slater at all. He has not accounted for anything. Came to Washington and went into Slater's office some time in March, 1913, I think, and remained there until some time in the following Winter. While I was in Virginia selling my farm, he negotiated for several pieces of property, one of which was three houses on 13th Street Northwest. That was in the early part of March, I think. Witness acquired these three houses, but understood that they were to buy them together, but he bought them in my name. Witness actually got a deed for the three houses. They were on the west side of 13th Street, between N and O Streets. Gave \$15,000 for the three houses. Mrs. Ruggles still owns these houses. The houses were subject to trusts, two of \$4,500 each and one of \$4,000. Had to put up \$1,500 cash

besides some commissions. \$1,775.81 was paid on account of this purchase as follows: One by check dated Feb. 27, 1913, on the Riggs National Bank by John G. Slater to Liberman and Hawn for \$100.00, and the other by a check for \$1,675.81, dated March 24, 1913, on the Federal National Bank, drawn by John G. Slater, which checks were payable to Lieberman and Hawn who were the agents for the owner, both of which checks were produced, exhibited to the witness and identified by him. Witness knows H. S. Matthews, a lawyer and money lender, who is the holder of the trust on the Vermont Avenue property. Slater paid \$500.00 on my account to H. S. Matthews to curtail the trust of \$6,000 on the Vermont Avenue property. Slater attended to it for me. He paid the \$500 out of my funds.

61 In the Spring of 1913, while with Slater, the latter started some deals, but all fell through except one for a farm at Bowie. The title to which was taken in my name. \$4,200 was to be paid for it and Slater paid \$800 on it with my money. I got most of this money back. I did not get all, I think I lost a few Dollars, I don't remember. As a piece of real estate on Third Street, the witness said "he wished the piece on to me." He did not pay anything for it with my money. I suppose he owned it and he wished it on me. Don't know how much this wish cost me. He put the property in my name. I knew it when he put it in my name. The circumstances were these: We were—this was one of the deals he made while I was away, that is, it resulted from that. He was making a purchase of a place on 14th Street, a business place, and it fell through, I guess he had made a deposit on it, perhaps, and he got the deposit back, I suppose. That fell through and he told me that he had given me this piece in the place of it.

Q. Did he take any of your money and apply it to the purchase of the property? A. I don't know what he did. He already had my money, how much of it I don't know. He did not have to apply anything to the purchase of it, because he already had it. He did not pay himself anything with my money for any of his property which he sold to me, that is if he paid himself anything, he paid himself something above what the property was really worth because it was mortgaged all it was worth. Don't remember whether he paid anything or not. Held this property until the Fall of 1914, the Spring or Fall, don't remember which. Then it was foreclosed. It went under foreclosure because I could not pay the interest or the principal. I think the trust fell due. Had a dealing with Ralph P. Williams and young Mr. Handy about property on the Bennings Road. Young Handy negotiated it for me, I think Williams represented himself. Took title to that property. Three small brick houses. I traded a truck that I had for it. This is not a part of my partnership relation with Mr. Slater, it had nothing to do with Mr. Slater whatever. I did not say that I was Slater's partner. He agreed to go in partnership with me, but I never had any, I never could see where there was any partnership.

62 Q. Was he or was he not, your partner? A. He agreed to be—to go into partnership with me, but I have never seen any benefit except—never seen any benefit whatever. These were not the only transactions in real estate during the time I was there. I bought an equity from Mr. Williams in a place on H street Northwest, Seventeen Hundred and something H Street. Mr. Slater had nothing to do with this. Mr. Slater got no commissions on any of these transactions so far as he knew. Hasn't the property now. Did not let it go by default, but deeded it back to the man who held the trust. Slater advised me to buy a note by one McDonald, drawn to the order of Charles W. Slater and to pay \$350 for it; I did buy it, but I paid \$450; I misunderstood him; I got mixed up on it and paid more for it than he told me it was worth. Paid Bachman the \$500 commission for completing the transaction with reference to my Herndon property sometime in March, I think 1913, after I got back from Virginia. A check there will show I think.

Q. Now, Mr. Ruggles, have you summed up the total of the checks which you have produced here drawn to Mr. Slater's order, as well as the total of the stubs which you gave us for checks that you could not find?

The Witness: I believe not, not accurately; no.

By Mr. Poe:

Q. You cannot give the Court an idea, then, how much your claim is? A. Yes, I can do that. I know what I was worth and what I had at the time I made this deal with Mr. Slater, and I know how much he paid me.

Q. You know that? A. Yes.

Q. You do not think that Mr. Slater is entitled to any credit in any accounting with you for any money that he paid on account of, for instance, this 13th Street property, do you? A. Certainly.

Q. You think he is entitled to credit for that? A. Yes.

Q. And you think he is entitled to no other credits at all? A. He is entitled to all that he has paid.

Whereupon the witness continued: Mrs. Ruggles still has the title to the 13th St. property, but does not tender the property back to Slater. We give credit for anything Slater paid on account of that property.

63 Q. You spoke of some transactions with James J. Lampton & Company, or some people of that kind, where you got a little premium, I suppose, over and above the usual rate of interest, and you did that in a few instances, I believe? A. Yes.

Q. That was while you were in Mr. Slater's office? A. Yes, sir.

Q. And you divide with him the proceeds of the profit in any instance? A. Not what came to me. I don't know how much he got out of it.

Whereupon the witness further testified: Asked if he went into any speculations on his own account during the time he was in Slater's office by which he lost any money, he answered: "Well I didn't lose very much as it turned out, but I did lose on one deal, I lost something." Properties on 13th Street are perhaps worth what I gave for them. One rents for \$40.50, the rent of the other is \$40.50 also. They are up near Iowa Circle.

Q. There is one question, Mr. Ruggles. Do you claim that Mr. Slater agreed to go into partnership with your wife too, or are you complaining that he did not go into partnership with her? A. No, sir.

Q. Only with you? A. Yes sir. I would like to make a correction. I believe Mr. Poe asked me if I still hold those three houses. I would like to say that I had forgotten about selling one. We got \$500 over the trust for it, that would be about what we bought it at. Began to suspect that Slater had betrayed me sometime in May or July. Did not then consult counsel. Was put to sleep with the stock. Did not consult counsel until the following Summer. Was not in Slater's office while he was consulting counsel.

Q. Why did you not bring the suit sooner? A. I left that with my counsel as to the time to bring it, as advised by him.

Q. Why did you not tender back to Mr. Slater the property No. 1531 Vermont Avenue in which you now live? A. We stand ready in that suit——

Mr. Poe: I beg your pardon. It is too late for tenders now. I am trying this case on the pleadings.

Mr. Duvall: It has been stated in the prayer, and that is all the tender necessary.

Mr. Poe: You will have to amend your bill if you want to do that.

64 Mr. Duvall: No, the prayers ask that we be put in statu quo. If you cannot put us in statu quo, then we ask for a money decree. The Court of Appeals says that is sufficient prayer for relief.

Mr. Poe: I will ask the question now, and I would like to have an answer from the witness if the question is a proper one.

The Court: Do you understand the question?

The Witness: He asked me why I didn't tender the Vermont Avenue property to Mr. Slater.

By Mr. Poe:

Q. Yes. A. Why, simply because the lawyer did not advise it. Not because of any particular value in the property.

On redirect examination, the witness testifies:

Got nothing from Mr. Rees for the 9th and M street property. Deeded them to avoid having judgments over the amount of the trusts. Knew the property would not sell for the trust on it, or any-

thing like it. Mr. Dury, the holder of the trust, was very insistent about payment of the trust and said that he would not carry it any longer. Mr. Handy, mentioned frequently in the testimony, was a clerk of Mr. Slater's. He had nothing to do with any of the property we got from Mr. Slater. That 13½ St. house, he was the agent in that for me. He made the trade for the U street house. We made a trade in the same way to try to get something out of it. He didn't get a cent. Witness collected the rents from the Tennessee Avenue—for several months, don't remember just how long, maybe six months. Before I got the deed for these houses, Mr. Slater told me that I could collect the rents, he told me to collect them and I went over there and collected them from the tenants. That was all the possession that I received until the deed was given to me. Gave receipts for the rents in my own name I think. There is one other deal that I lost on, property on 7th Street. Mr. Slater paid about \$400 on it and I lost that.

Q. Who was in the office besides yours-If and Mr. Handy? A. Mr. Callahan.

Q. Anyone else? A. I think Mr. Ralph Williams was in there at first, for a while.

Q. What did Mr. Slater ever claim of you as a division of any alleged profits if there were claimed to be any? A. Not any.

65 Q. He never once came to you for a division of what he would term profits on any transactions that he had advised?

A. No, sir.

Q. All this time, however, he had this large sum of money which you testified about? A. Yes, sir.

Q. And it is your understanding that the money that was paid both for the deposit and also to close on the 13th Street house was paid by Slater out of this sum or sums of money which you had turned over to him? A. I believe it was; yes.

Witness further testified: Witness's health began to fail after he began to worry about the idea of losing his money. Upon refreshing his recollection from letter dated April 16, 1914, witness testified that Slater did discount both notes he received on Sale of Nelson County farm. "My health began to fail after I began to worry over the idea of losing my money. I began to fail, and I fainted on the street one evening, and a short time after I had to go to the hospital for an operation and was there a couple of months. That was in the summer of 1914. I had consulted counsel before this breakdown." His occupation now is most anything, house repairing, any kind of work.

66 Recross-examination:

Witness paid nothing at the hospital and his doctor's bill was \$25.00. Witness was then interrogated by the Court and testified as follows:

Met Slater in the Ames Building in September or October, 1912. Might have been later. Was there with Mr. Bachman. Went there

to see a Mr. Taggart, and Mr. Bachman introduced him to Mr. Slater at that time. A month or two afterwards Mr. Campbell came out to the farm. Campbell told me he was Slater's agent. Slater confirmed this to me. Saw Slater again after I had met Campbell. This was when Mr. Slater and Mr. Campbell came out to the farm. Mr. Campbell was out to the farm twice. He did not come alone to the farm. He came to Herndon alone and Bachman came with him to the farm. I was introduced to Mr. Slater by Mr. Bachman, and Campbell was also introduced to me by Mr. Bachman but whether in the city or in the country, I don't recall. Don't know whether Campbell was there before the trade. Don't know whether he was there more than once or twice. First time Bachman introduced me to Campbell it was for the purpose of bringing about a trade for the Nelson County farm, and Mr. Slater came out to the Herndon farm for that purpose, but after coming there, that is to the Herndon farm, he wanted to trade for that farm. The proposition to trade for the Nelson County farm was dropped for the moment, and from that moment Mr. Slater and I discussed the disposition of Mrs. Ruggles' farm. Right after the trade for the Herndon farm was consummated, Mr. Slater tackled me to trade the Nelson County farm. Don't know how I came to write the document dated Feb. 18th, "I hereby agree to trade my farm, etc." Don't know, Your Honor, how I came to do it. I was under some influence, and it was a very foolish thing to do. I don't know how——

By the Court:

Q. Did you have any discussion with Mr. Slater before you wrote this? A. Only that he was repeatedly after me to
67 trade something to me for the farm, and whenever he mentioned that trade for that property, I had told him and told him repeatedly that I would not think of trading for that, because it was no value compared to the value of the farm. First saw the deed from Rhodes and wife when Slater handed it to me, a day or two before, or perhaps the same day, it was recorded. Sold the Nelson County farm in March, and came to Washington with the money and deferred the purchase money notes the next day. Received a letter from Slater dated March 3rd probably about March 4th at Lovingstown, Va. (Pl'iffs' Exh. No. 1.) Sold the Nelson County farm three or four days perhaps after getting the letter. Slater had been to see the farm before the letter was written, on March 15, witness gave Slater a check for \$825. Guess Slater just wanted the money. When he returned after sale of farm, he told Slater how much money he had in his possession then. Slater never said anything then about the Tennessee Avenue houses. Nothing was said until April. In April Slater told him to collect the rents; said nothing about why he did not turn over a deed. Slater did not give me any statement adjusting rents and taxes when he told me to collect the rents of the Tennessee Avenue property, nor whether there were any arrears or anything of that sort. I believe he assigned over to me the contracts with the tenants. When I came back from selling the Nelson County farm, Mr. Slater made no demand for the proceeds

of the farm; never made any claim that these proceeds belonged to him as a result of a trade for the Tennessee Avenue houses. Slater discounted the \$5,000 note in the Nelson County Bank and kept the proceeds of the discount. Witness never had the proceeds of these notes. They totalled \$9,000. Turned them over to Slater because the understanding was that he was to put up a like amount, and we were to use it buying property and discounting notes. He turned over these notes to enable Slater to realize on his contribution to their joint scheme.

By the Court:

Q. When did you learn that he was not making a like contribution? A. Well, I was in his office for some time, and we failed to do any business, and I began to see that it was——

By the Court:

Q. Did you ask him for the return of the notes or for the proceeds of them? A. I got after him, yes, sir, to make some—to show why we were not doing some business and, as I say, he sprung this stock business on me, and I got so impressed with the value of that, that I did not importune him much more; it was about the first of June, 1913, I think, that I purchased the Lamson note.

Slater told him about it and recommended its purchase; found
68 out that McDonald was a hotel keeper in Philadelphia, but
he had left. Note was not presented for payment. Note
69 never was protested. I got after him to have it paid, and he
said, "never mind, he would pay it;" he would pay all loss
on it, he said. It occurred to me to protest it, but I found that
neither one of them were responsible. Slater had told him the
parties were responsible when he recommended its purchase.

By the Court: Did he ever offer you any explanation why the re-issue stock, if it ever was reissued in this Stenograph company was not turned over to you? A. He told me that—he put me off on several occasions, by saying that the reorganization had not been completed, not to worry about that, I would get my stock. That was soon after I let him have the stock. Not at the time he gave me the receipt, but he asked me for the stock.

Redirect examination.

By Mr. Duvall:

Q. Mr. Ruggles, when, if ever, did you tell Mrs. Ruggles about the existence of the paper dated February 19th, I believe, 1913, regarding the proposed trade of the Nelson County farm?

Mr. Poe: I object to that, if your Honor please.

The Court: What is the object of that, Mr. Duvall?

Mr. Duvall: Your Honor will recall the testimony of Mrs. Ruggles about the inducement that was held out to her in the conversation with Mr. Slater.

The Court: She joined in the conveyance?

Mr. Duvall: Yes.

The Court: The objection is overruled.

Mr. Poe: Was that out of the presence of Mr. Slater.

The Court: I don't know whether it was or not. The question is when, if ever, did he tell her. Whether it was out of his hearing or not, I overrule your objection, and you have your exception, Mr. Poe.

Now do you understand the question?

A. Yes, your Honor. I never told my wife anything about it until quite recently, perhaps a year ago.

By Mr. Duvall:

Q. What if any effort did you or Mrs. Ruggles make, or any investigation, concerning—Did you make any investigation concerning the liquor license for the property located at 9th Street, Southeast? A. I never consulted the proper authorities, but I

70 learned from what I presumed to be—from people who I supposed knew as to whether a license could be procured, and it satisfied me that I could not get a license.

Mr. Duvall: That is all.

Cross-examination.

By Mr. Poe:

Q. I wanted to ask Mr. Ruggles a question with reference to dated.

The Court: Proceed, Mr. Poe.

By Mr. Poe:

Q. Can you tell us when it was that the Equitable Building Association foreclosed the trust on the Tennessee Avenue property?

A. They took it out of my hands——

Q. Please answer my question. When did they foreclose? A. I think it was about a year ago.

Q. Was it since this suit was brought? A. I think so.

Q. The trust was foreclosed on this Tennessee Avenue—these six houses on Tennessee Avenue? A. Yes.

Mr. Poe: That is all.

Mr. Duvall: That is all.

(Witness excused.)

Mr. Duvall then read into the record section sixteen of the Jones-Works Law, which was passed and enacted March 4, 1913, and which became effective July 1, 1914.

JOHN W. BACHMAN.

John W. Bachman was then produced on behalf of the plaintiff and thereupon the following occurred:

Mr. Duvall: If the Court please, I now ask leave of the Court to cross-examine J. W. Bachman as to his part in this trade transaction.

Mr. Poe: I object to that.

The Court: On what ground, Mr. Duvall?

Mr. Duvall: The Court of Appeals, in *Bradley v. Davidson*, said that a party to the fraud may be called and cross-examined. Your Honor is probably familiar with that decision. If not, I will read that part which refers to this right of the plaintiff in the case
71 to cross-examine a party to the fraud. The agent in that case, John C. Davidson, the agent of Mrs. Bradley, was called to the stand for the purpose of cross-examination, and cross-examination was allowed.

Mr. Poe: He was a party to the action.

Mr. Duvall: That does not make any difference. The Court does not say he must be a party to the action. He must be a party to the fraud.

The Court: You claim that this witness was a party to the fraud?

Mr. Duvall: The testimony in the case shows, if the Court please, the machinations of the defendant in this case to support the misrepresentations of fact, including value, extended to the agent of the plaintiffs. There is testimony that shows that he worked with her to reassure the plaintiff as to the accuracy and truthfulness of the statements which were made by Slater. The Court of Appeals has defined the dual capacity as being that of a party to the fraud, and has said that such an agent is not only a party to the fraud, but may be held responsible for any damages resulting from the situation.

The Court: What testimony thus far, Mr. Duvall, shows that this witness was a party to the fraud?

Mr. Duvall: I am not going to show by this witness the fraud, if I may be permitted to cross-examine him.

The Court: Well, on your statement as to just what you expect to show, I will allow your examination to take the form of cross-examination, and Mr. Poe may have an exception.

To which action of the court in permitting his examination to take such form, the defendant by his counsel objected and the Court then and there allowed the defendant an exception to said ruling of the Court.

And thereupon the witness testified that Herndon and Vienna is my home town. Lived in Herndon in 1912. Was in the real estate business. Have been in real estate business about thirty or forty years. Principally as agent for the purchase of farms and the exchange of property, also did a little farming. Operated in Herndon in 1912 and 1913, I moved to Vienna sometime in 1913, where my home is now. Knows the parties to this suit. Knew plaintiffs ten
72 or twelve years at Herndon. Had business relations with them negotiating a trade with Mr. John G. Slater, the defendant. Mrs. Ruggles employed me to negotiate the trade. First met Slater about twenty years ago. They placed the Herndon farm with me for sale, and I tried to sell it for a good while; finally Mrs. Ruggles and Mr. Ruggles too said they would trade their farm for city property if they could get something that suited them. I tried to negotiate a trade through Eugene H. Taggart and that fell

through, so in coming out into the hall, Mrs. Campbell met me and said, I can take you to a party that will swing that property that you have got. I was then talking not about Mrs. Ruggles; but Mr. Ruggles' farm, the Nelson County farm. Campbell said, I can show you, and he took me to Mr. Slater, and we talked over this Nelson County farm, about the big orchard on it, about the apple crop that had been raised and the apples that had been wasted there. So Mr. Slater said: "I will send Mr. Campbell up." After we talked a little while we got on the Mrs. Ruggles' farm. So Slater then said, "I would rather talk about that first, because that is right close here at home." I told him that I was Mr. and Mrs. Ruggles' agent. He said, "I will send Mr. Campbell up, he is my agent. I have a hundred houses or more here I can trade, maybe I can suit them." So after we talked Mr. Slater said he would send Mr. Campbell up and see what Mr. Campbell had to say about it and if Mr. Campbell made a favorable report, then he would go up. I taken Mr. Campbell up, and he taken a little look at that farm and Mr. Kerr's farm. He came back and reported to Mr. Slater. In a few days Mr. Campbell came up again and said that he would be up with Mr. Slater on a certain day and I was to have my surrey and take Mr. Slater and Mr. Campbell out to see Mr. and Mrs. Ruggles, which I did. I met them and taken them out and introduced them to Mr. and Mrs. Ruggles there in Mrs. Ruggles' house. I told Mr. and Mrs. Ruggles at the time how I was interested in it just this little commission in it of 5%. That was the agreement between Mr. and Mrs. Ruggles and me. There wasn't anything said about the adjoining land then, but he had in mind to trade all of it. She had bought another piece of land there about seventeen acres or something. Yes, they told me they would trade all of their holdings at Herndon if they could get something to suit them. So Mr. Slater after I taken him up there, sat down in the house, and talked quite a smart while with Mr. and Mrs. Ruggles. They talked a good deal about a brown stone front house somewhere in the northwest, and they talked about another house somewhere on the Avenue where there was a drug store. I was not well acquainted with Washington at that time, I didn't know anything about it or about the values of property at all. I was trusting Mr. Slater in regard to that. We talked over that a good long while, and after a while we were getting through and we walked out on the porch. I said to Mr. Slater, "Let us walk up to the farm." He said, "It is not worth while; I am perfectly satisfied." I said, "If you are satisfied it is not worth while, but I will take you and show you the farm." But he said, "It is not worth while, I can see." You could see pretty nearly all over the farm, and he said, "I am satisfied." So he made some arrangement with me and Mrs. Ruggles to come down and see him. It seems that it was the last part of the year nineteen hundred and—along the latter part of 1912. Anyhow it was not very long after that. I was then over at my daughter's on Morris Street in Washington. So Mr. Ruggles and Mrs. Ruggles came down and were talking over the property. Mr. Campbell was around there and talked over the property, and Mr. Ruggles and myself walked up

there and I think maybe Mr. Slater. I am pretty sure Mr. Slater did go with us to the drug store property up on the Avenue about 19th Street, way up the Avenue there, Smith's Pharmacy. Mr. Ruggles and myself got together and we didn't seem to like that. The drug store seemed all right, but we didn't like the house, we didn't like the floors. Then we came back and Mr. Ruggles and Mr. Slater went to different places. Don't know where they went. I wasn't following Mr. Ruggles up altogether, because I knew when I got through Mrs. Ruggles would pay me, and so one day Mr. Slater says to me, "I am about to swing some property that looks right good, I want to take you down and show you the property at the Navy Yard Gate." "Well," I says, "all right." But I don't think Mr. Ruggles went along, if he did it escaped my memory, but Mr. Slater went. I went down and looked at the property. Couldn't see any value when I first looked at it, couldn't see value. Looked to me like a pile of junk. Couldn't see value. I looked around at the Navy Yard Gate. Mr. Slater began to tell me what a fine piece of property it was and the prospects. Said, "there will be a Boulevard built up here;" I don't know what Boulevard it was; "right by here, and there is some talk of a belt line railroad, and if that is so, that comes by here." He told me the Lincoln, I think, but I
74 don't remember just what it was. Don't know what it was.

It was to be a very fine road by there. His recollection, after studying about it, is that Slater mentioned it was to be Lincoln Boulevard. Asked if Slater said how close to this property this boulevard was to be, witness answered, "It seems to me it was going to come right along the Navy Yard gate. And that property is at 9th and M, not very far, about twenty paces I suppose to the Navy Yard gate."

Q. Did he tell you that work had already commenced on that boulevard? A. I don't know what he said about that, but there was some survey or something had been made, but it seems it was going right by there.

Q. Did he say a law had already been passed providing for the boulevard to come by that property? A. He said something about that, but I don't remember what he said about it, but the road was to come by there anyhow. Now I didn't see value yet, but after he went on a little more, he said, "This property can be rented at a great advantage because a liquor license can be gotten here." I said, "Mr. Slater, will you get this license?" He said, "No, no, I have never done such a thing, and I don't think I ever will. I never applied for license for anybody; they will have to do that themselves." The conversation was along the latter part of 1912. Am here under sub-

pœna. So I looked at this property and I did not see any value yet, but when he assured me that a liquor license could be got
75 there and it could be rented at such a great advantage I began to think he was right if he could get a whiskey license there; then I began to see value then. He said you can just make barrells of money there. "I knew barrells is right smart little change and I began to see value there." I said, "If that is the fact now, then this property is valuable." It didn't need so much repairs at that time.

It wasn't out of repair as bad as it is now. The floors were in mighty bad condition down in the lower part. We walked over them, "but still I could see there was some value if you get a liquor license there and rent the property. If this street would come along there, it would increase the value of the property very much." So I saw Mr. Ruggles. Neither he or Mrs. Ruggles had asked me to inspect it all, but Mr. Slater had asked me to go up there. I wasn't interested on that side, I didn't get any commission on that side, not from that property from Mr. Ruggles. I wasn't getting any commission from Mr. Slater, because Mr. Campbell was his agent and he got it, and it was agreed between me and Mr. Campbell that I was to get my commission from Mrs. Ruggles and he from Mr. Slater and he talked over the liquor license. I then came back to see Mr. Ruggles and we talked about it. As I say, I wasn't interested in that side only I would like to see him get a pretty good property. I said "why, Mr. Ruggles, if you can get a whiskey license up there, it looks like that property is worth the money." "Yes," but he said, "I don't want none myself." I said, "Yes, but maybe somebody else does." "Let them get the license, it can be rented to great advantage." I said, "Don't you see it makes that property valuable." "Well, Mr. Ruggles, after he taken over this property, Mr. Ruggles informed me that he couldn't get any license there. "Well," I said, "if that is the case, you are to the bad a little, if you can't get a whiskey license there that property won't rent for much." It is true that is right smart little piece of ground, it would be worth about what the ground was. Then I couldn't see any value in it again.

Q. When did you next have any conversation with Mr. Slater with regard to this trade? A. Well, I never had any more with him then until after the thing was closed. It was along, I think, in 1913, the first of the year I think. I think the exchange was made about the end of January, 1913.

76 Q. Now as a matter of fact, Mr. Bachman, before that time when the properties were exchanged, didn't Mr. Slater make you a general proposition about 3% commission on all properties which you procured from Mr. and Mrs. Ruggles? A. Yes sir, he did.

Q. Now didn't he as a matter of fact, pay you \$100 on account of that agreement? A. He paid me \$100 for the first piece of property that I sold to him up there. That was the old Ruggles farm, you know. I traded it to a man by the name of Booth.

Q. I didn't ask you that, I asked you on account of this agreement which you had with Mr. Slater, on which he tendered you payment, which he tendered you for the property, which he made to you concerning the property to Mr. and Mrs. Ruggles, out of the 3% on everything that he got from them, didn't he pay you \$100? A. Not on that.

Q. Well, did you receive any part of your 3% from Mr. Slater? A. No sir.

Q. On account of the Herndon properties? A. No sir. He paid me \$100.

Q. That was on another transaction? A. Yes sir.

Q. It didn't concern Mr. and Mrs. Ruggles? A. Not at all. I was making that exchange for another man. Mr. Campbell told me that the exchange for the Herndon properties had gone through. Mr. Campbell came down to Pierce Street and said, "Mr. Bachman, we swung Mrs. Ruggles' property yesterday, provided you take \$500." I said, "My commission is about seven." My wife said, "you had better take it, you have been bothered so much over this and you have been to so much expense." I said, "Go ahead, Mr. Campbell, close the thing up and give me my \$500," which Mr. Ruggles gave me the check for. I got my \$500.

Q. They gave you the \$500 for the commission which they had agreed to give you for services which you were to render to them as their agent? A. Yes sir. Have got nothing from Slater on account of this 3% which he offered me. Made a demand on him. He says, "I have gone into partnership with Mr. Ruggles." I said, "And walked off with my customer"? Slater said, "Why I have gone into partnership with him, we have gone into partnership. I put
77 in a thousand or five hundred, and he puts in the same amount, don't you see, consequently I can't owe you a cent, and I never got a dollar out of Mr. Ruggles in all my life." Mr. Slater said, "I never got a dollar out of Mr. Ruggles in all my life, anyhow." I said, "Now, Mr. Slater, if you have never got a dollar out of Mr. Ruggles in all your life, then you don't owe me anything." He told me positively that he never got a dollar out of Mr. Ruggles in all his life, and Slater said, "Now, how can I pay you a commission." He didn't deny that he had made the exchange for the Herndon property. He acknowledged that he had traded there; you know Mr. Ruggles paid a commission there.

Q. How did he get out of your 3%? A. He said, "I went into partnership, and he had never got a dollar out of Mr. Ruggles. This conversation about the 3% commission all occurred after he learned the trade had been made with Mrs. Ruggles.

Q. Now you stated that you transacted some real estate business in Washington; after you came to Washington you engaged in real estate business? A. Yes, I traded his farm up there, you know.

Q. Didn't you afterwards take an office with Mr. Slater or go into his office? A. I went in there on business, but didn't pay any office rent.

Q. You didn't pay any office rent, but you transacted a great deal of business? A. I don't know, not a great deal. I never got nothing out of it. \$100 out of that farm.

Q. You went in there quite frequently? A. Oh, yes; I was in there every day.

Q. You went in there on business? A. Oh, yes, every day. I traded that farm, you know, I got \$100 out of it. That was all.

Q. In this conversation with him, when you were trying to get something out of him on account of your agreement with him, didn't you ask him what he was going to do about it? A. Yes, sir.

Q. Didn't you say "you told me you would pay me three per cent?" A. Yes, sir.

Q. Didn't he say, in answer to that, "I will give you three per

cent?" A. He told me he would pay the 3% for Mr. Ruggles or anybody else, and he had another man in view that he was going to bring with him by the name of Rhodes, but I stopped—because this thing didn't seem to be working right, and he told me that he wasn't getting any money out of Mr. Ruggles at all, had been doing no business with him at all, neither direct nor indirect; that he 77½ wasn't doing any business with him, but he said they had gone into partnership, and consequently he didn't owe me nothing, because he had gone into partnership. He said, "I never got anything out of him," but he was called up here by Mr. Arth, I think he was.

Q. Who was Mr. Arth, the Assistant District Attorney? A. I think it was the Assistant District Attorney. Yes, that is the man. And in talking over the matter there, you know, Mr. Slater told him he was not in partnership. He told me time and time again that he was in partnership with Mr. Ruggles, therefore he couldn't owe me, but Mr. Arth said, "Mr. Slater, did you ever get any money out of Mr. Ruggles?" and he says, "Yes, sir, \$14,000." And then I said, "You owe me, sir" and so he does.

Cross-examination.

By Mr. Poe:

Witness testified on cross-examination that he had no familiarity with real estate values in Washington. Has no hostility against Mr. and Mrs. Ruggles and don't know anything much about that now. Was called to Assistant District Attorney Arth's office as a witness. Mr. or Mrs. Ruggles or both of them employed him to act as their agent in the sale or exchange of the Herndon property, and he did act as their agent and received \$500 in full of his compensation from them. Never received any commission from anybody else on account of the Herndon transaction to his memory. He has a suit pending against Slater for this 3% commission which he said Slater agreed to pay for any transaction as a commission on any deals which anybody might do for him. Made an affidavit in that case under the 73rd Rule. Brought the suit on the 7th of April, 1916, claiming this 3% which he has just referred to, after he had been to District Attorney's office, and heard Slater say that he had gotten \$14,000 from Ruggles and that he wasn't in partnership with him.

Q. Why didn't you bring the suit against Mr. Slater before that? A. Sir, I can very easily explain that. He said he was in partnership with Mr. Ruggles, and that he had never got a dollar out of Mr. Ruggles, and therefore I didn't bring it until he opened my eyes up before Mr. Arth, that he had got \$14,000, and that he wasn't in partnership with him. He said so himself. Then my eyes was opened. That is the reason.

Q. Now your claim——

Mr. Duvall: Are you going to offer that in evidence?

Mr. Poe: I am going to read it and ask him if this is the claim that

78 you made then against Mr. Slater, was that he "promised and agreed that he would allow and pay me the full commission of three per centum on the gross amount of business which he might do or transact with any person whomsoever that I might bring and introduce to him." A. Yes, sir.

Q. That was his promise to you? A. Yes, sir, either money or property either. Promise was made to him just about the time he closed Mr. Ruggles' deal, along in the first of 1913. Couldn't tell exactly about it being about 1st of March. It was about the time we closed Mrs. Ruggles' deal.

Q. After Mrs. Ruggles' deal? A. Yes, sir. After that he made me the promise, but I didn't know whether he did get anything or not. He said "he never got anything from Mr. Ruggles and was doing business with him under partnership" and kind of cut me out. Don't know whether the promise was made the 1st of March, 1913, it might have been.

Q. Your affidavit was true, wasn't it? A. Yes.

Q. Now I read you this: "That relying upon his said undertaking, promise and agreement so made and for the express purpose of earning the commission so agreed to be allowed by him and paid to me, I did take and introduce to him for that purpose, one, W. R. Ruggles." A. Yes, that is all right.

Q. "That thereafter beginning about the first of March 1913, and extending into some few months subsequently thereto, the said John G. Slater, as I am reliably informed and truly believe and hope to be able to establish as a fact, that the said John G. Slater and the said W. R. Ruggles, did transact together business to the extent of some \$45,000., as set forth in the Particulars of Demand hereto annexed and made part hereof." Now does that include Mr. John G. Slater's transaction or Mrs. Ruggles' with the Herndon farm? A. None whatever, sir.

Q. Does it relate to any transaction with reference to the Nelson County Farm? A. It just relates to any money or property that he sold either direct or indirect to Mr. Ruggles.

Q. He didn't sell the Nelson County farm to Mr. Ruggles, did he? A. Mr. Ruggles got the money.

The Court: You mean Mr. Slater. A. Mr. Slater got the money, yes. Mr. Slater got the money.

Q. The first item on which you claim three per cent is \$14,000, funds placed in defendant's hands by W. R. Ruggles for use or investment? Now that is dated March 1, 1913, and May 31, 1913. These are the two instruments of your bill of particulars, are they?

The witness testified: The Bill of Particulars was fixed by my lawyer. My claim is disputed by Mr. Slater and the suit is still pending. Never examined 1531 Vermont Avenue. Mr. Slater taken him up there one day. Asked if he advised Mrs. Ruggles to take it or not to take it, witness said he did not examine it. Slater took me over in a machine there and told me that was one of the houses, and he went up in the city and showed me a number of properties. Slater

79 said something about the property near the Navy Yard having a trust on it of some six or seven thousand dollars. Don't remember that he told me who had loaned him the money. He said that \$14,000 or \$15,000 was a fair value for the 9th and M street property. Said it would be cheap at that. Never went into the property with Mr. Ruggles to my memory, or with Mrs. Ruggles. Went there with Slater just before the trade. Asked if this property appeared to have had any recent improvements witness testified he didn't look around outside. I don't think there was anything done inside. I just looked where there was some buildings there. We didn't stay long. Right smart piece of ground there, maybe 30 or 40 feet front. Asked if it contained about 60,000 square feet the witness testified, "I guess so, but I could not tell you by guessing at it. Right smart piece of ground, but I didn't see much value in the house." Never inquired its assessed value, just went down to look, he just wanted me to see the property. I had no objection to looking at it. Neither Mr. or Mrs. Ruggles told me to look at it. When I came back I told Mr. Ruggles. Don't think I talked with Mrs. Ruggles at all. Told Mr. Ruggles I had looked at it, and when I first looked at it I didn't see much value, but after Slater told me the fact about the boulevard and getting a license there and things of that kind, I thought it would be a very good piece of property. Had known Slater for fifteen or twenty years. "He had had some transactions with me down there through Mr. Hill." Remembers being a witness in a case in which Campbell sued Slater for 3% as his agent. Remembers swearing in that case that Campbell was Slater's agent, and that I was Mrs. Ruggles' agent. Mr. Campbell represented Mr. Slater and came up there a good many times. I never represented Mr. Slater in Mr. Ruggles' transaction. Never got but \$100 from Mr. Slater and that was after the sale of the Nelson County farm. Slater paid the \$100 as a commission on the sale of the Herndon farm he had taken over from Mrs. Ruggles.

Re-examination:

By Mr. Duvall:

Witness testified that his affidavit about which he was asked on cross-examination alleged that the agreement between Slater and witness about the 3% was made in the month of November, 1912, and after witness had taken up the negotiations for Mrs. Ruggles' farm. That agreement was to allow and pay me on the gross amount of business that Slater might do with any person that I might bring or introduce to him that covered all transactions; that was what was understood between Mr. Slater and me. Yes, that was the fact, the reason that I say Mr. Ruggles had money, and of course he wasn't going to pay me anything. Don't remember ever seeing the Particulars of Demand referred to in his affidavit. Don't remember that his lawyer called his attention to it.

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Questions by the Court:

Q. Mr. Bachman, this proposition that you say Mr. Slater made to you, when did he make it with reference to the first time that you saw him with reference—when did he make it with reference, now, to the time you first saw him in the matter of Mrs. Ruggles' transaction? A. He didn't make it at all in Mrs. Ruggles' transaction.

Q. I didn't ask you that. I say how soon was it after you first met him in connection with Mrs. Ruggles' transaction that he made this proposal? A. It was just immediately after we closed with Mrs. Ruggles, and I can tell you the reason for that, if you want me to.

Q. Well, I was trying to get the time fixed in my mind. A. Just immediately after we closed with Mrs. Ruggles.

Q. In this affidavit you say that in about November, 1912, you and Mr. Slater were engaged in the real estate business more or less extensively? A. Me and Mr. Slater?

Q. Not together, but you were both of you engaged more or less extensively in the real estate business? A. Yes.

Q. That in about November, 1912, Slater undertook, promised and agreed that he would allow you the full commission of three per cent on the gross amount of business which he might do or transact with any person whomsoever that you might bring or introduce to him? A. Yes.

Q. Now do I understand that the transaction for the exchange of Mrs. Ruggles' farm had been concluded in November 1912? A. Just about the time we closed it up I talked to him about the matter. I can't get the date exactly right, but I knew that Mr. Ruggles wasn't going to pay me the commission on his farm.

Q. You misapprehend my question. I asked you whether Mrs. Ruggles' transaction, that is, the trade of Mrs. Ruggles' farm, had been concluded in November 1912. A. Well, I think it was. It was either November, 1912, or the first of 1913 that we got through with it. I can't state exactly just offhand.

Q. When was it that you first saw Slater with respect to the taking up of the matter of Mrs. Ruggles' farm? A. That was some time in the latter part of 1912. I think it was in the early Fall of 1912.

Q. As I understand you, Campbell took you in to Slater? A. Yes, sir.

Q. On an occasion when you were here in Washington? A. Yes sir.

Q. And he told you that he thought he could introduce you to a party with whom you might negotiate the Ruggles farm? A. Mrs. Ruggles.

Q. Mrs. Ruggles' farm at Herndon? A. Yes, sir.

Q. Now was that in November, 1912? A. That was in the early Fall of 1912, I think, because the weather was right warm when Mr. Campbell came up there—that is, to the best of my knowledge—to see me in regard to it, when we talked it over. He came up, looked the farm over. It run along right smart time before we got it closed.

Q. Now what were you to do under your employment by Mrs. Ruggles? A. Mrs. Ruggles? I was to try to sell her farm if I could, or try to get a trade if I could. She said she would trade for city property if she could.

Q. And under that authority you went to Mr. Slater, as you have told us? A. Yes, through Mr. Campbell.

Q. Then how soon after meeting Mr. Slater did you, if you did, introduce him to Mr. and Mrs. Ruggles or Mrs. Ruggles? A. Well, sometime along in the Fall. It was getting along towards Christmas right smart; coming along right smart. It was in the Fall.

Q. Now you introduced them? A. Yes. I taken Mr. Campbell and Mr. Slater out to Mr. Ruggles in the surrey.

Q. Did your employment on behalf of Mrs. Ruggles require that you should look into the matter and advise her as to the properties that Slater was to exchange her farm for? A. The property that she was taking over?

Q. Yes. A. No, sir; I was only to find the purchaser or man who would trade. She never asked me to look at it.

Q. Then your employment as agent for Mrs. Ruggles was to find some one who either would buy her farm or make an exchange or trade with her? A. Yes, sir.

Q. And after you brought the two together your services ended? A. Well——

Q. I am asking now what were the requirements of your employment? A. Well after I brought them together and introduced them all, why, then of course I left it to them.

Q. That is what I wanted to ascertain. A. And I made the remark that I did, that what I was to get was this 5 per cent commission. Then I trusted to Mr. Slater——

Q. (Interposing.) When you answer you brought Mr. Slater and Mrs. Ruggles together you think it was towards Christmas time? A. It strikes me it was in November.

Q. In November? A. It strikes me so. I haven't the date exactly, but I think it was in November.

Q. Now coming back again with reference to the occasion when you took Mr. Slater to Mrs. Ruggles' farm and introduced her and Mr. Ruggles to Mr. Slater, had Mr. Slater made that agreement to pay you 3 per cent commission? A. Oh, yes; he had talked it over but he hadn't gotten down exactly what he would do, because, you know, I——

Q. Had you taken up with him, or had he with you, a proposition to pay you a commission or compensation on business you might bring to him? A. I couldn't collect but one commission from one side——

Q. (Interposing.) What I am trying to find out, if I can, if you can tell me, is when it was that you and Mr. Slater first discussed the proposition that he, Slater, should pay you a commission of 3 per cent, with reference, now—— A. Well, I think——

Q. Wait until I finish my question. I am trying to find out when it was that Mr. Slater first discussed with you the proposition to pay

you 3 per cent on any business that you might do of the character described in your affidavit. A. Well, I think——

Q. Wait a minute. With reference to the occasion when you took Mr. Slater to the Ruggles farm. A. I think it was in the first of 1913, along in the first part of that year.

Q. Do you mean, then, that it was not until after you had introduced Slater to Mrs. Ruggles that he made this proposal to you? A. Yes.

Q. Or, I won't say that, but that you and he discussed together that proposition. A. Yes, sir, and after I had introduced them.

Q. And that you think was in the early part of 1913? A. I think so, and the reason of it was this, as I wanted to tell you, that Mrs. Ruggles is — with the money and Mr. Ruggles wouldn't pay me a commission with his money, because he already knew Mr. Slater agreed to pay me for anybody that I would bring to him. I had another party too.

Q. Can you explain why it was that you said in your affidavit here that it was in November, 1912, that he agreed to pay this commission? A. It might be I wasn't quite sure.

Q. In testifying now you are sure when that agreement was made? A. Am I sure it was made?

Q. No; are you sure as to the time it was made? A. Well, I am not very sure, but it was the last of the year 1912 or first of——

Q. (Interposing.) Somewhere in that neighborhood? A. Yes, sir, somewhere along there, because Mr. Ruggles wouldn't pay me.

The Court: That is all.

WILLIAM S. MCCARTHY, witness on behalf of plaintiff.

Real estate dealer in Washington for 32 years. Qualified as an expert as to values. He testified that the land at 9th and M
83 Streets — worth now in the neighborhood of 50 cents a foot.

Values have enhanced a little since fall and winter of 1912. That property contains 9607 square feet. Would not place any value on the improvements at all. 1531 Vermont Avenue was worth \$7,500. Kraemer Street property No. 1647-49 Kraemer Street, \$1800 each. 1531 Vermont Avenue is three story and basement or cellar. Was only on two floors; didn't go through the whole house. Would say that values of property in the neighborhood of 311 13½ street are very much over-assessed. Don't know what the assessment of property 311-13½ street is; has other properties in same neighborhood which he will sell at assessed value. On cross examination witness testified that he was familiar with the property in the neighborhood of the Navy Yard. Witness was asked concerning the 9th and M street property, to assume that some \$3,500 had recently been spent on the houses, whether that altered his opinion as to their value, and he said with improvements of that extent the property would be worth \$8,000 or \$9,000; would not have advised a loan of \$6,500 on that property, no matter what the condition of the improvements.

Q. Now you say you are familiar with all that property down there.

Do you remember any project to extend the driveway down there?
A. Continue the Potomac Park?

Q. Yes. A. There has been some talk about it, sir.

Q. Wasn't there some good deal of talk about that about 4 years ago? A. Yes, sir.

Q. And I suppose you all down there were hopeful with reference to that? A. Yes, sir.

Q. At that time? A. Yes, sir.

Q. It has not come yet, but you are still hopeful for it, are you not? A. Yes, sir.

Mr. Poe: That is all.

Redirect examination:

Never understood any Lincoln Boulevard was projected to extend down to that property. There is none down there now. They expected to have the boulevard placed at 16th street. Would have advised a loan of about \$3,000 on this property at time of Drury trust in June, 1912. His valuation of 50 cents a foot is its present value. The land is assessed at 30 cents a foot, which makes it according to the Assessor's value 45 cents.

Recross:

The improvements were assessed at \$3,900, and I would suggest that whoever owns the property see the Assessor and he will remove that assessment. I have done it in many cases.

CHARLES D. SAGER.

84 In the real estate business for 14 years. Qualifies as to values. Examined these properties at the request of the Attorney for the Plaintiff for the purpose of testifying in the case. Navy Yard property worth 40 to 45 cents. Improvements nothing more than what the old bricks be worth. Kraemer Street property, \$1,750 for each lot and improvements. Property at 1531 Vermont Avenue, I should value at \$7,000, the limit for the lot and the improvements. Not qualified to testify as to 311 13½ street; in 1914 the land was assessed at \$2,622 and the improvements \$600. The Tennessee Avenue property I should say were worth between Jan. 1 and May 31, 1913, \$2,250 each, subject to any incumbrance that might have been upon them.

Cross-examination:

85 It would cost now probably from 8 to ten thousand dollars to rebuild the Vermont Avenue House, owing to the tremendous raise in the price of building material generally does not consider the loans on any of these properties very well secured.

Redirect:

Thinks that between \$2,700 and \$3,000 would have been a conservative loan on the Navy Yard property in 1912.

JOHN W. BACHMAN (recalled).

Direct examination.

By Mr. Duvall:

Q. You testified that that 3 per cent agreement with Mr. Slater, your view of it, did not cover the trades for the Herndon farm where you represented Mrs. Ruggles. Do you desire to make any additional statement or correction of that testimony? A. I thought that Mr. and Mrs. Ruggles would sell their property, which it looked like they would, as Mr. Ruggles had sold some, and then they might come to Mr. Slater and turn the money over to him and I would not get anything.

Q. Did you not, after you introduced Mr. and Mrs. Ruggles, with regard to the transfer of the Herndon farm, say to Mr. Slater, "Now, what do I get out of this?" A. Yes, sir.

Q. And did he not say to you, "You will get 3 per cent on anything that I get from Mr. or Mrs. Ruggles?" A. Yes; that is what he said.

Q. Did you have any conversation with him with regard to how he could pay you three per cent? A. Yes, sir. I said, "Mr. Slater, you know we got into this, and if they should sell out, I want to get something out of it, but how can you afford to pay me 3 per cent and also pay Mr. Campbell 3 per cent?" He says, "I don't know that that is any of your business, just so you get your 3 per cent." I said, "All right, sir."

Cross-examination.

By Mr. Poe:

Q. How was it you happened to forget all this when you were on the witness stand before? A. Forget it?

Q. Yes. A. It slipped by my memory. I might remember something else, yet.

Testimony on Behalf of Defendant.

PHELAN C. HAWN.

Real estate broker. Member of the firm of Lieberman and Hawn, about twenty years. The property on 13th Street was bought by Mr. Ruggles through our firm in February, 1913. Deposit of \$100 was made by Slater, for Mr. Ruggles, February 21 accompanied by Slater's check. Settlement was made as of March 1, the balance of

86 the purchase money was put up by a check of John G. Slater's for \$1,675.81, which check was offered in evidence and identified by the witness, and marked "Exhibit Hawn No. 1." 1312 18th Street was subject to a trust of \$4,500. 1314 subject to \$4,000. 1316 subject to \$4,500. Total purchase price of the three houses was \$15,000. I considered it a very great bargain at \$15,000. Had some difficulty in getting customer to part with it at that price. Wasn't present at the actual settlement and don't know whether Ruggles was or not. Slater did not participate in any commission in that transaction. All that he did as far as witness knows was to pay the \$100 deposit, and to close the transaction by his check for \$1,675.81. Don't know whether Ruggles owns the property still or not.

Cross-examination:

While he thought the sale at \$15,000 was a bargain, it was through him that his people did it.

T. R. CAMPBELL.

At present a dealer in stocks and bonds. In 1912 was engaged with Slater in handling real estate. Met Mr. and Mrs. Ruggles at their farm in the Summer of 1912. Was introduced to them by Mr. J. W. Bachman, who lives near there. Remembers that in the Summer or early Fall of 1912 made several visits to Herndon, Va., and several times visited Mr. Ruggles and his wife, on all of which visits Bachman accompanied witness, he thinks. Later Mr. Slater made one visit with me. The visits were made with the view of exchanging the farm for certain property in the District of Columbia. Prior to that had been negotiating with Mr. Ruggles for the exchange of the Nelson County farm, but the talk finally drifted into the exchange of the Herndon farm for certain properties in the District of Columbia. Witness represented Mr. Slater. Got Mr. Ruggles to come to the city to look at some of the property in the City belonging to Mr. Slater, when witness introduced him to Mr. Slater. Later on Mrs. Ruggles came in and visited certain properties including 1531 Vermont Avenue and some property near the Navy Yard, 9th Street Southeast, consisting of some land on which there were three buildings, two brick and one frame. Showed Mr. 87 Ruggles several other properties at that time. Could not say which was first. Asked to tell all the properties that he showed to Ruggles, witness said, "there were several other properties, two or three other houses on a small street in "Long Meadows"; a house around on 11th Street Southeast; a house on 22nd and Pa. Avenue, a large building there with a drug store, it was a sort of rooming house, owned at one time by Duckett the druggist." The drug store rented for \$75 per month. It had an incumbrance of \$16,000 or \$18,000 on it. Also a piece of property down west of the Navy Yard, I think, on 3rd Street. There was one house down there worth at least \$2,000 to go along with the other properties. We offered them a choice or a combination of those houses, and

finally they selected a house on Vermont Avenue and the three properties or the three buildings with the land of course, ground around it on 9th Street Southeast. Took both Mr. and Mrs. Ruggles to the 9th Street property. Bachman was not along. They gave the house a casual inspection by going from top to bottom. They examined it as any one would look at a house without any technical examination. We were there perhaps half an hour or so—an hour, perhaps. Don't recall that there was any particular comment at the time. They seemed to be satisfied with the property and I think they were. Only representations that I made to them as I recall was that I invited their attention to the fact that there was a club house in one of the properties. I think the others were rented and they were bringing in good rents at that time as I understand, and that there was a large piece of ground there, and perhaps it would increase in value as time went on. That there was a first deed of trust of \$6,000, \$6,500, I think, on all three properties. It seemed as though there was a fair equity in the properties; that taken together with the property on Vermont Avenue, the equity in the property on Vermont Avenue seemed a reasonable exchange for the farm at Herndon, Va., and they seemed to think so too, and they finally wound up by signing a contract to that effect. Think I turned it over to Mr. Slater. Cannot say whether it was executed in duplicate or not. Does not know what became of it, his best recollection is that he turned it over to Slater. Does not recall that he turned over to Mr. Ruggles or Mrs. Ruggles or to Mr. Bachman any part, if it was in duplicate. Mr. Slater paid me my commission.

88 Made no other representations of any kind to these people at that time. This is all the connection he had with the deal for the Herndon farm that I can recall. Had no connection with the trade for the 15 acres. The physical condition of the property in the Southeast was good. Don't know whether it was recently put in order or not.

Cross-examination:

The value I set on the three properties was \$14,000. Did not understand that Mr. and Mrs. Ruggles had that from Slater, but I gave them that value. Gave them \$12,000 as value for the Vermont Avenue house. According to my calculations there was a clear equity in the properties in the southeast of \$7,500 and \$6,000 in the Vermont Avenue property, \$13,500 in equities in all. My recollection is that they were to assume the trusts. Don't catch the distinction between buying property subject to an encumbrance and assuming to pay a trust. Understood they were to take the property subject to the trust. Said nothing to them about making them personally liable for the amount of the trusts. Could not say what valuation Slater placed on the Herndon farm, but the Ruggles told witness they wanted \$12,000 for it. They considered that \$12,000 was at least a fair exchange for \$13,500 in equities. The club house on the corner, it is my impression, sold liquor at that time. It was the sailors or enlisted men of the Navy's club house. Understood that the club was running

at the time that Mr. and Mrs. Ruggles and I went down to see the property. His recollection is the inspection consumed about an hour, and they went through all three houses and through the rooms of the club house. There were one or two men around there, sailors or marines and a disheveled bed in one room. Don't remember a bar being there. May have told Mrs. Ruggles she could not get in some of the rooms because there were guests there. Don't recall having done so as it was six years ago. Can't say definitely as to the time Bachman visited the farm with me. As near as I can recall it was between the first of July and the first of September, 1912. Mr. Slater and I went up and examined the farm possibly in the early Fall. I remember one visit with Slater, but do not remember two. It may have been later. It may have been in September or October. We were there possibly a half hour or an hour. They talked trade for both farms, Herndon and Nelson County. After that visit saw Mr. and Mrs. Ruggles and Mr. Slater together frequently in Washington, at Mr. Slater's office on G Street. They talked trade of Herndon farm until the trade was made. My business with Slater

89 was working on a commission in disposing of his property. I know nothing of the trust of \$6,500 on 9th and M properties except that it was there. I was not in Slater's employ. Don't know that such a trust was put on June 4, 1912. Don't know that Slater had borrowed \$6,500 on the property. Mr. Slater told me there was a trust of \$6,500 on it and I so represented it to Mr. Ruggles. Don't know that the trust had been recently put on the property when I took them out there. Mr. Slater told me nothing about it. Knows a Mr. Drury. Don't recall him except casually, if at all, may have said "How do you do" to him. He was not known to me as Slater's straw man, and I never heard of him as such. Never knew him to take title for Mr. Slater in any of his properties. The Ruggles themselves told me along about the first of December or about the first two weeks in December, 1912, that they had agreed to trade the Herndon farm for the Vermont Avenue and the 9th and M Street property. Don't know whether they told me first or told Slater first. Undoubtedly I told it to him as soon as they told me. Mrs. Ruggles said she had given an option on that property and could not close the contract until that option had expired. I think Mr. Hewitt was the one to whom she had given the option, and the agreement was practically decided upon, or the settlement was finally decided upon with that exception, that we were to wait for the option to expire before final papers were signed. Was not called before the District Attorney in this case. Visited Mr. Slater's office from time to time, used to go there every day for several months. Had no desk or equipment there. Operated from his office for a while. From about the first of July to the first of January 1913. Opened up a place of business for ourselves about Jan. 1st. During this time made my business appointments, pertaining to real estate where people could call on him at Slater's office. My business arrangement with Mr. Slater was, my commission was that I was to get 3% on whatever property I handled for him and traded for him and sold for him, the usual commission.

Fred B. Rhodes, a member of the Bar. Knows Slater. Does not know Ruggles. Had transactions with Slater about September, 1912, with reference to the Tennessee Avenue houses. Was attorney for the Illinois Surety Company. Took the title in my own name and sold it to Mr. Slater shortly after I bought it. It had been sold for the benefit of the Surety Company under a deficiency decree. "I bought it in for the company, and sold those that I bought to Mr. Slater, whom I told I would not give the deed until he had made certain payments on the purchase price. The deed to Mr. Slater was executed by my wife and myself and left with my clerk with instructions to deliver it when he completed certain payments. When he completed those payments, he said he wanted to deed the property to Mr. Ruggles. She took the short route by changing Mr. Slater's name to Mr. Ruggles'. The first thing she did was simply to erase the name and put in Mr. Ruggles' name and give it to Mr. Slater. That was because he had paid it. There was a second trust, and it was something over and above the second trust." Was asked to make a full statement to Mr. Arth and gave him all the facts. Mr. Arth thought that he had done something improper, and he asked me to tell what he had done. (The witness was then excused for the purpose of securing the statement which he had referred to.) Returning to the stand witness stated that Mr. Arth had the contract and would bring it into Court.

Statement referred to was received in evidence, and marked "Defendants' Exhibit No. 3," viz:

June 26, 1912.

"Received of John G. Slater the sum of five hundred dollars (\$500.00) in cash, and his three months' note in the sum of twenty-seven hundred forty dollars (\$2740.00), in consideration of the purchase of the following described property:

"No. 519, 521, 531, 533, 535, 537, Tennessee Ave., N. E., Washington, D. C.

"It being understood and agreed that the said Illinois Surety Company through its attorney in fact, Fred. B. Rhodes, will give deed to said property to the said John G. Slater upon his curtailing said note of twenty seven hundred forty dollars (\$2740.00) at the end of ninety days in the sum of five hundred dollars (\$500.)

"It is further understood and agreed that said property is to be purchased by the said John G. Slater subject to said trust of twenty-two hundred dollars (\$2,200.00), now held by the Perpetual Building Association. It is further understood and agreed that the
91 said Illinois Surety Company from the proceeds of the said Five hundred dollar (\$500.00) payment this day made will pay all taxes and interest and other charges to date."

"ILLINOIS SURETY COMPANY.

By _____

Attorney in Fact."

Slater did not pay the money as it was due, but he paid it ultimately, and the deed subject to the \$2,200 on each of the houses was then executed and delivered to Mr. Ruggles instead of Mr. Slater.

Cross-examination:

Bought the property in to protect the Illinois Surety Company on its deficiency judgment of seven or eight thousand dollars. Paid \$200 or \$300 a house above whatever difference there was. Can only guess how much I paid for them. Have no recollection at all except that I paid approximately three or four hundred dollars. There is no alteration in the Notary's acknowledgement; the only change was a change in the grantee. "There is no alteration in the Notary's acknowledgement on the 26th of September. That is the day the Clerk wrote the deed up and it laid there for a long while until Mrs. Rhodes came down." It was not acknowledged until the 5th of November. It was not executed on September 26, 1912; it was signed but not acknowledged until the date the Notary put there. According to my best recollection the deed was executed on the 26th day of September, but not acknowledged on the 26th of September. The clerk did not change the date. The only thing the clerk changed was the name. The clerk put in the typewriting, and in the Notary's handwriting he put the date in the acknowledgement. The clerk put in the date for the Notary, the 26th of September, and the Notary changed it to the 5th day of November.

The Court: This contract of yours recites that the consideration for the purchase of the described property was \$500 cash paid at the time of the deposit receipt, June 26, 1912, and a three months' note of Slater's for \$2,730, and the contract was recited to be in consideration of the purchase of the following described property.

The witness: Yes.

The Court: Then comes the provision to the effect that the Surety Company, through you as attorney in fact, will give a deed to the property to Mr. Slater upon his curtailing said note of \$2,740 at the end of ninety days in the sum of \$500. Now, I understand you to say that he did make that curtail?

92 The Witness: The curtail he made was as follows: On March 26 he paid \$240——

The Court: I do not mean to say that he paid it in exact conformity to this, but he did pay \$500?

The Witness: Yes, sir; the full amount.

The Court: Paid the \$500 of curtail on this note?

The Witness: Yes, he did.

The Court: What became of the balance of the note?

The Witness: He paid the whole balance.

The Court: When was that done?

The Witness: That was—it ran up to March 26, 1914, leaving \$130 still due. It ran for that length of time.

The Court: When he had completed his curtail of \$500 and the deed was delivered——

The Witness: I don't think the deed was delivered immediately,

Your Honor. I can't tell you the exact date it was delivered, but he made several small payments and after he had paid a considerable sum he came and got his deed, but he paid more than \$500 before he got his deed.

Mr. Duvall: This is the deed, if the Court please (handing paper to the Court).

The Court: Am I to understand that this deed was delivered immediately after it was acknowledged?

The Witness: Oh, no. We held that deed for several months, to my recollection.

The Court: Several months subsequent to November 5, 1912?

The Witness: Yes, sir; several months after that.

The Court: Can you tell me how much Mr. Slater had actually paid on account of his indebtedness at the time he got the deed from you?

The Witness: I can not do that, Your Honor; I do not recall.

The Court: Have you got a statement there as to the payments that he actually made and when he made them?

The Witness: Yes, sir; I have that complete here; yes, sir.

The Court: And you say that he finally paid all but \$132?

The Witness: Yes, sir. March 26 he paid \$300.

The Court: 1913?

The Witness: 1914. It ran along in little small payments at a time, and he had \$132. Subsequently that \$132 was paid.

The Court: And that never was paid?

The Witness: That was paid, Your Honor. That is my recollection.

93 By the Court: So that the net results was that finally, the \$500 in cash which was received of course at the time, and the \$2,740 note was ultimately paid? A. Oh, actually paid in full.

Recross-examination:

When the deed with the name of the grantee was changed to Ruggles and was delivered to Slater he had complied sufficiently with the terms of his contract to justify his receiving the deed. He had not paid all the money. He did not pay it for a long time after that. He only needed to make one more payment and then he was entitled to a deed. Can't recall when the deed was delivered to Mr. Slater. He had not paid up everything in 1914. There was a balance of one hundred and thirty odd dollars. We had his note for it in the Commercial Bank. This note was not secured at all. Don't know whether it has been paid or not. It was in my office that Slater asked me to change the name of grantee to Ruggles. Can't tell when that was. He said the deed was made in the name of himself and he wanted it changed to Mr. Ruggles and he asked me to change it to Mr. Ruggles. At that time he was entitled — a deed under this agreement. Have no independent recollection as to how many houses were covered by my purchase. I am pretty positive I bought six, I thought that would be enough to take a chance on. The trustees' report will show how many were sold. He made a deposit of \$600 and gave notes for balance secured by a second trust.

I think the rents were \$22.50. The purchase price was \$23.80. I think Slater purchased one or two other houses in the row, and I tried to get him to raise the rents, so we could raise them. He refused to do that and subsequently made an offer to purchase the six houses that I held. Can not tell whether I ever executed a release of the second trust securing the deferred payments by Slater to me, if it has not been released, it should be released. In my statement to Arth, said that on February 10 Slater called at my office and asked for a deed to the property, he having paid the amount agreed upon. I suppose I have the written authority from Mr. Slater to change the name of the grantee from John G. Slater to Willis R. Ruggles which in my written statement to Arth I said I had. I suppose I gave it to Mr. Arth. Stated to Arth that Slater made certain payments until it was reduced to \$132.00, and that it was agreed that upon the payment of this \$132 the second trust notes were to be marked paid and turned over to Ruggles. Made this agreement with Slater. Never had heard of Ruggles at that time. Never heard of Ruggles until

94 Slater asked me to make him the grantee. Witness was told by Slater to turn over the cancelled notes to Ruggles. Ruggles never requested it. Never heard of Ruggles except as before mentioned. Witness thought they should be turned over to Ruggles because he was the party to take title to the property. Never have met Mr. Ruggles in my life. Know that an attorney in fact could not execute a deed. Gave this deed into the hands of Slater and not to any one else.

D. H. ROLLAND DRURY.

Been engaged in the real estate business 14 or 15 years. Witness and H. L. Thornton had offices together at 607 13th St. in 1912, and remembers having transaction about the Navy Yard property with John G. Slater in June, 1912. In June that year Doran S. Platt, a young man, was clerk in Thornton's office. I had known him 10 or 12 years. Loaned \$6,500 on this property, June 4, 1912, at 6% for three years. \$5,000 of that loan is still outstanding on the property, it having been curtailed \$1,500. The money was actually paid according to the terms I have just stated. Inspected the property before I made the loan, and formed the judgment that it would be a safe loan to make. The property was in good physical shape at that time. I thought conservatively the fair market value for it was between 10- and \$12,000. Got the \$6,500 from some clients based on my judgment. I know the Ruggles had something to do with this property. Within a year after 1912, or two years, up to 1914, the property was not kept in very good shape; it was allowed to run down very materially. Don't know when Ruggles parted with it nor the time Mr. Rees became interested in the property. The interest on the trust has been paid by various parties. The property has been held by various parties. I know Mr. Ruggles paid the interest once or twice or possibly more times on it. The interest was payable quarterly. It was about the second year after I put the trust on it that I noticed the property began to deteriorate.

Cross-examination:

I paid off the \$5,000 trust then on the property and then gave a check to Slater for \$1,500, less expenses, and then Slater and his wife executed a note for \$6,500 to Doran S. Platt. I got a deed to it, but not from Mr. Slater, though. I paid off a trust of \$5,000 which was held by a party by the name of Kane. Mr. Slater took the property subject to that trust which was on it at the time he made application for the \$6,500 loan. Can't tell whether Slater bought the property or not. Can't tell when Slater acquired title to the property. Did not investigate it; the Title Company did. Have been in business loaning money in this city 14 or 15 years. Have had other business transactions with Mr. Slater.

Q. Similar to this? A. I have.

Q. Putting trusts on for an amount in excess of the cash?

95 Mr. Poe: I object to that. There is no testimony of that kind.

The Court: Mr. Drury has said that when he made this loan of \$6,500 it paid off the existing deed of trust on the property of \$5,000 and Mr. Slater got a check for the balance.

I paid the \$1,500 curtail, and took a deed to the property, I think from Mr. Rees, who had held it a very short time, to the best of my knowledge. Three clients, Mr. Hill, now dead, and two others, whom he does not remember, supplied the money. I paid the curtail. Then I got a deed to it from Mr. Rees, who held the property a short time. I curtailed the note because the deed came to me and I traded the property off for other property. At maturity of the notes nothing was done by Slater or anybody else to curtail them. Never asked a curtail from any one. Made the notes out in series of eight, interest payable quarterly, 1 to 5 for \$5,000, and 6 to 8 for \$100, to suit my clients' money. Notes were made to Mr. Platt because it is customary for me to use some straw man in all transactions in the way of loans. After the notes were made by Mr. Slater, Mr. Platt indorsed them without recourse. I sold \$4,000 of the notes to Mr. Hill, and \$2,500 of them through Mr. Harney. I don't know whether he held them individually or his wife and daughter. They had not made the loan at that time. I simply sold the notes. I put the trust on before there really was any loan, and then sold the notes to these men. Did not make a curtail because clients held me responsible. "Whenever I make any loan for my clients I never have them take any property back. I take it myself." Did not own the property myself. Traded it off. To the best of my recollection Rees deeded it to me. He held it three or four months to the best of my recollection. Never paid Rees anything for the property. He gave me the deed. Had other transactions with Slater involving trust notes. Never loaned Slater as much as this on property before. Loaned it on the Navy Yard property because I considered the property worth it. It was good security for \$6,500 at that time. Never had any dealings in that particular part of the city before. Went down there and made an

inspection of the property and judged that the houses and ground were worth that much money. Have been compelled to change my opinion since I made the loan.

By the Court:

Q. I do not quite understand, Mr. Drury, why it was that you yourself curtailed that \$1,500. What was the reason for that? A. The deed was given to me after the property deteriorated or was allowed to deteriorate, after I made the loan——

96 Q. You made this curtail at the time Rees conveyed to you. A. Not at that time, but some time later on, several months, probably, later on.

Q. When you made the loan originally, the loan of \$6,500, what value did you put upon the improvements for the purpose of making the loan? A. I did not put any separate value upon the improvements or on the ground. I put a value—I valued it all together.

Q. What was the valuation that you put upon the whole property, then, for the purpose of the loan? A. I would say it was easily worth \$10,000—a fair market value for it, about 12,000.

And the Witness further testified: It was about three years after making the loan that I made the curtail, and in that three years the improvements had so depreciated that to save clients from loss I concluded myself to reduce the loan by \$1,500. The deterioration which he observed did not figure in the value of the land, the building itself was allowed to go to rack and ruin. One of the tenants moved out and the larger building, instead of the parties owning the house allowing it to be closed up and protected, they allowed the blinds and everything else to stay open and the boys threw stones at it. During that time the interest was in default for a short period only. I generally catch up my interest pretty close and required it to be paid. It was about a year or eighteen months after the loan that I began to detect the deterioration. I don't know whether the Ruggles were interested in the property at that time. I don't know when it was that Slater parted with the title. About a year after making the loan I first detected the deterioration of the property. I didn't say anything to Mr. Slater about it. I don't recall whether I said anything to Mr. Ruggles about it or not. Think Rees had the property only a very short while, a few months. A year's taxes and a quarter's interest was due and I was trusting him for the taxes and interest and because of that he surrendered the property for nothing. He gave me a conveyance. Mrs. Ruggles conveyed the property to Rees April 16, 1914. The principal of the loan had not matured at the time Rees gave me the conveyance. When I reduced the loan \$1,500 I cancelled some of the notes. \$1,500 worth. Did not proceed against Slater for his loss, because I had not sustained any at that time. I never did sustain any

97 loss, because I took that in the property and curtailed the loan and traded the property off, whereby I did not sustain any loss.

He admitted that by cancelling the notes he deprived himself of the chance to come back on Slater on those notes, but said, 'I got

value received for my money, so I was satisfied. I didn't contemplate going after Mr. Slater." I did not pay the notes off until some time after I took the deed. It had deteriorated so I was afraid it would not bring the trust if I foreclosed. When I got the property from Rees I did not consider the property any longer a safe loan for \$6,500, and to save clients whose money was invested I paid off \$1,500 of notes and took the deed from Rees although the property was no longer good security. I considered that the property was good at least then for \$6,500, but it was problematical how much more. I thought that I would get the \$1,500 back in some way at the time I made the reduction, but not at the time that I took the deed.

Q. That, then, was the transaction. You took the deed from Rees when he was in default, held it for a while until you made an advantageous trade; out of which you got cash money enough to pay the curtail, so that you did not put your hand in your pocket to curtail it at all, did you? A. I did not; that is the way I got it.

Assistant District Attorney. On January 25, 1916, at the request of the defendant, John G. Slater, and his attorney, Henry E. Davis, John W. Bachman, a witness heretofore produced and examined on behalf of the plaintiff in this case, appeared before me in connection with an examination of certain charges then pending against Slater in the office of the United States Attorney, for almost a year and made a statement to me with reference thereto, which statement was then taken down by a stenographer and after her notes were transcribed, they were read over by me and I then remembered that they were a substantially correct statement of what Bachman had said with reference to said case, although I now have no independent recollection and my mind is not refreshed fully as to what Bachman actually stated. The stenographer's notes so transcribed and so read me, and which are now produced, have ever since been in the custody of myself or of the District Attorney's Office, and are the same identical notes read by me and which I then knew to be substantially correct. Upon this statement by the witness as to said notes, the defendant by his counsel, offered said notes in evidence, to which action of the Court, the plaintiff by his attorney reserved an exception which was properly noted.

NOTE.—The above statements will be set out fully with the other exhibits in the case.

On cross examination witness stated that Slater appeared and brought with him 4 men, Bachman, Daniel O'C. Callahan, Lebin C. Hanly and David A. Offret.

ALLEN S. JOHNSON.

Heating and ventilating business in the District of Columbia, for 44 years at 1240 9th Street N. W. Knows the property at 9th and M Streets S. E. very well; knows defendant very well. Knew the former occupant, Mr. Otterback, who owned it. Friends for over thirty years and used to visit him frequently. Saw it about 1912 or 1913 at the request of Mr. Slater who asked me to look at the heating plant. It required a new heater and he had installed a new heating plant, pipe and everything. While doing this work had occasion to look over all the house and the cellar. There were plasterers and I think some bricklayers there also. There was more or less work being done in the nature of carpenter work; the whole house
99 was papered and painted. I presume that Mr. Slater was having it done. The cost of the repairs that I made there was about \$350.00. It was five or six years ago that I put in the heating plant. Mr. Slater told me he owned the property.

RALPH P. WILLIAMS.

Real Estate business about eleven years in the District of Columbia. Knows Mr. Ruggles and Mr. Slater, and Mrs. Ruggles only by sight. In May or June, 1912, Slater asked me to get a loan of \$6,500 on the 9th and M Street Properties South East, and I inspected the property for the purpose of getting the loan. Before I had obtained the loan Slater told me he had gotten the money from Drury. I considered the property good security for \$6,500 after I investigated it. I was appraising it for the purpose of a loan which would be the same as a sale. I would say that for the purpose of a loan or sale the property was worth 10 or 11 thousand dollars and something more than that in an exchange where property is appraised at a little higher by both sides. Asked about the Kraemer Street property the witness said: "In 1912 I made several sales in the same row. It is a long row; perhaps 15 or 20 houses all alike, built by Zepp Brothers in 1910. I sold some of them when they had \$1,650 first trust on them and some when the first trust had been curtailed to \$1,500. I had three or four sales in there about 1912 or the first month of 1913, or I suppose they were trades. The houses were always priced at \$2,500 in the trades I made. I considered that in money they were worth a trifle less than that, perhaps \$2,300 in actual cash. At that time they had a trust of \$1,650 or \$1,500. Thomas W. Smith the lumber man was the holder of the first trust, and I had occasion to curtail some of the loans when they came due from \$1,650 to \$1,500. In the summer of 1914 I bought the two Kraemer Street houses from Ruggles. At that time the houses were subject to \$1,500 first trust and an accumulation of interest and taxes, and one or both vacant and in very bad condition. There was at least six months' interest due, and I

100 should say two years' taxes. Originally the houses in this row rented for \$18.50 per month. These two houses, he thinks were vacant. I considered them worth from \$2,250 to \$2,500 in January, 1913, depending on whether it was sale or trade. I bought them from Ruggles, bought a deed on them, taking them subject to these accumulations, paying just a small sum for the deed. With reference to the property at 311 13½ Street, Mr. Ruggles told me he had traded it for a house on A Street Southeast and a Hupp automobile. I subsequently traded him 1763 U Street, subject to two trusts aggregating \$4,500 for the automobile. The automobile was valued at \$1,000. I considered it worth \$750. I drove it for eight months and sold it for \$425. I traded the Vermont Avenue property twice in the year 1910, but did not have any further connection with it, although I knew it was traded by Mr. Slater to Mr. Ruggles. I think it was built by a Mr. Metcalf; he was dead at the time that I made the trade, which was made with the son on behalf of his mother. There was a \$6,000 trust on it and in the trade, which was for a lot on Rhode Island Avenue, he took back a second trust for \$1,000. Should say the Vermont Avenue property was worth \$12,000 in 1910, and if the condition of repair had not changed, should say it was worth the same in 1912. Never saw the Tennessee Avenue property. Saw Ruggles around Mr. Slater's office in the year 1913. He had a desk in there, I supposed he was renting desk room. Never heard any conversation between them with reference to partnership. He may have told me about his affairs with Mr. Slater—he told me of some of the trades he made. Made no claim of partnership with him to me. Ruggles was talking with me of his affairs with Slater on many occasions, I should say. He told me he had traded the Nelson County farm for the Tennessee Avenue houses. Yes, he told me he had traded a farm down in Virginia for some houses in Tennessee Avenue, but I don't remember that he said Nelson County. That was after the trade involving the Vermont Avenue property and the Potomac Avenue property.

Cross-examination:

Has not always been in business for himself. Has been salesman for James J. Lampton for about 3 years and with New York Real Estate Brokers one and one-half years. Had desk room with Slater from August, 1911, to May or June, 1913. My recollection is I paid Ruggles \$25 apiece for the deed- to the Kraemer Street property. The change in the neighborhood from white to black would reduce values at least 20%. Having had no previous experience I started out and was by myself one year; then was one and one-half years with Prather & Ryan; then I rented desk room again for about 18 months.

101 I was by myself. I rented desk room in the office of John G. Slater, in the same office where these transactions occurred; that was from August, 1911, until May or June, I think it was, of 1913; I obtained some of my experience in real estate while I was in his office; then after that I went into the office of James J. Lampton & Co., that is the Lampton who was a brother-in-law of the late

Mr. Early; part of my experience was obtained in his office; I was in his office until October, 1915, and was then taken sick and left for a year; not able to do anything during that period, between the time I was taken sick and until October, 1916; then I went out for myself and am located at 1410 G Street, in the Ames Building, but at present am not in Slater's office; Slater gave up his office there on the 18th of February, just past; for a period of four months just ending, I rented desk room from Mr. Slater in the Ames Building, but he gave up the office, and I continued since that date; moved into Slater's office in October, 1917, and remained there until just a few weeks ago, two or three weeks; when Slater removed he said he was going to give up the office and asked if I wanted to keep it, so I kept it; in the first part of my experience I sold a good deal of property in the Southeast around 15th and E and 16th. Asked to tell of a single sale in 1912 and 1913, in the neighborhood of 9th and M, Southeast, where the land brought as much as fifty cents a square foot, he said that within six months before that he made a trade of a property on 8th street in the 800 block, the property was 15 or 20 feet wide and improved by store property, a three-story house, similar in some respects to one of these properties, and it was traded at \$5,000; 8th street is a business street and this would make property on this street more valuable than property back on 9th street, although there is nothing between 9th street and the property in question; sees no reason why the properties on 9th street were not suitable for business properties, as one of them was occupied as a lunch-room, although he would not be positive about that; the property he traded on 8th street was across the street from the Marine Barracks and south of it; the room in the front was used as a Chinese laundry and the owner occupied the house; don't remember what rent they got for the store; after Slater asked me to secure a loan of \$6,500 on the property down there, he told me he had secured it from Mr. Drury; after Mr. Drury took this property I traded it; that was in the winter of 1914-15; I traded it to W. B. Carr, the Deputy Coroner, subject to a trust of \$5,000; knows George W. Marsh a colored man; has seen him in Slater's office. Asked if said Marsh took title to other properties belonging to Slater, witness answered, "Yes, I think so." I understood this was Slater's property, although in the name of Marsh; the loan was for Slater; knew nothing about a trust on this property when Slater asked him to get a loan of \$6,500 on it; my recollection is that I paid \$50 for the deed to the Kramer street property, \$25 apiece for the properties; that was all; every transaction he had in that neighborhood in 1912 or 1913 was in some part of it a trade, no sales; he owned one house in that row and considered that by trading, that was the price he got for it, namely, the value which he placed on those houses of \$2,500; when Slater traded this property to Ruggles witness was in Slater's office; he had to curtail \$150 of the \$1,650 trust on the house there he (witness) owned because it was not considered ample security for \$1,650. Witness was still in Slater's office when he trade- with Ruggles for 13½ street property; Ruggles had gotten a Hupmobile for it, and a house on A Street, Southeast, #1715; I took the Hup-

mobile and traded him the U street property; the U street house had a \$3,500 first trust and a \$1,000 second trust on it and I considered his automobile worth \$750; asked if he judged the value of 1531 Vermont Avenue by a trade he made for it witness said not entirely, no, sir; sometime in 1911 or 1912, perhaps through 1912, he handled 1503 Vermont Avenue, the second house 102 from the Circle there, Iowa Circle; the better end of that block is where 1503 is, because at 1531 you are getting up toward the blocks above that which are colored; Q street in there is not entirely colored; in 1910 I inquired and there were no colored in that particular block; colored people coming in there would make a difference in his valuation; in 1912 there were no colored in this block; there was a colored family on 12th, near Q, right immediately back of 1531 Vermont Avenue; it has been occupied by negroes for years; immediately on the other side of Q street and Vermont Avenue, on the North side of Q street; there have been some colored in there, I guess, for a good many years; would say that that fact would depreciate the property on Vermont Avenue one-fifth; you have to depend on getting a colored man to buy to get anywhere near your estimated value; asked if he knew the property next to 1531, witness said he did not; asked if he did not know very little in that neighborhood in the upper part of the block, except that he remembers 1531 in 1910, witness replied, "I know as much about that as I do about any, unless I make a special inspection of a piece of property; does not know there were sales of property on Rhode Island Avenue between 13th and 14th for less than \$7,500, better houses and in a better location; does not know of any property that has been sold there in the last five years; has not had any sales or any occasion to examine properties in the vicinity of 1531 Vermont Avenue for sale or trade since 1912; that inspection of 1503 was about that same time; asked how the conversation with Mr. Ruggles concerning the Tennessee Avenue houses arose, witness said: "I don't think I could answer that question"; don't remember that anyone was present besides himself and Mr. Ruggles; there was no confidential relation between him and Mr. Ruggles at the time or ever; he told witness of his properties with the idea, he presumed that he should sell or trade them for him, but he does not think Ruggles told him to try to trade or sell these Tennessee Avenue properties; asked if he knew why Ruggles should have made this statement to him (as testified on direct examination), witness replied, "I don't know why he should;" first met Ruggles in the Fall of 1912, he thought it was just at the time he, Ruggles, came into Slater's office; at that time witness rented desk-room there and all of them were expecting Ruggles. "Mr. Slater asked me if it would inconvenience me to move my desk and allow his to stand in a certain part of the room; that Mr. Ruggles was going to bring a desk in." I attempted to secure some first trust loans for Slater and probably have and I once took title to a tax deed for him; I got commissions from Slater either on a sale or may have been a loan; sold properties to him and sold properties for him.

By the Court: How long did you hold the properties (Kramer st.)?

Witness: I don't know that I held them at all scarcely. By the time I had gotten the deed I think I had sold them again, sold them subject to accumulation.

Q. What was the value of the ground on the east side of Vermont Avenue, between Q Street and the next street south, in 1910, per square foot? A. I should say a dollar and fifty cents.

Q. How much was it worth in January or February, 1913, just the land? A. I don't know of anything that had happened to change its value at that time. I think the land was worth the same.

Q. How much is it worth to-day? A. I think it is worth the same, but in the interval it has been worth less, simply because you could not sell property at its full value.

Q. That is, a stagnant market, you mean? A. A stagnant market, yes.

Q. So far as real diminution in value, you do not know of any that occurred, but that value has remained stationary for a period of about eight years? A. I should think so, yes, sir.

103 By Mr. Duvall:

Q. As to the 311 13½ street property, in January, 1913, was not that right in the segregated district? A. I don't remember when that ceased to be that district.

Q. To your mind then it was always the segregated district then? A. I know it is cleared up now and I know at one time it was the segregated district.

Q. This was in the midst of what was the segregated district? A. Yes.

Q. Did you ever look at that property? A. I don't think so.

Q. You do not know anything about that property at all? A. I do not.

D. H. Roland Drury—Cross-examination resumed:

Witness testified he had found the notes involved in the \$6,500 trust, concerning which he had been previously interrogated; that he found the fifteen hundred dollars' worth of notes which had been paid off and also the \$5,000 note; witness asked that the \$5,000 note be kept for him, but he did not care about the other; two
104 notes, 1 and 6, aggregating \$1,500, being the amount which the witness had testified he had paid in order to curtail the \$6,500 trust on that property. Witness also produced his check for \$1,525.00 on the Franklin National Bank, dated March 6, 1915, with which said two notes were paid, and he testified that the curtails were made with his own money and not with Slater's money. The two notes were paid at the Riggs Bank, and the \$5,000 note was paid at the Washington Loan and Trust Co. March 20, 1912. The notes are as follows:—

\$1,000.

WASHINGTON, D. C., June 4, 1912.

"Three years after date, for value received, I promise to pay to Doran S. Platt, or order, the sum of one thousand dollars, at —, with interest at the rate of six per centum until paid, said interest payable quarterly.

JOHN G. SLATER.

No. 1 to 8.

Secured by deed of trust Pt. Lot 2 in Square 952, D. H. Roland Drury, Heber L. Thornton, Trustee."

Endorsed on back as follows:

"John G. Slater.

"1000 & int. 6% 4 June, 1915.

"Sept. 4, 1912, Interest paid to Sep. 4, 1912.

"Dec. 11, 1912, " " Dec. 4, 1912.

"Pay to the order of Martha G. Harney, without recourse to me. Doran S. Platt, John R. Hill, Trustee.

"Louis A. Hill, Administrator of Estate of John R. Hill.

"March 26, 1913, interest paid to March 4, 1913.

"June 9, 1913, " " 4 June '13, \$15.

"Martha G. Harney.

"Sept. 10, 1913, interest paid to 4 Sept. '13, \$15.

"Dec. 17, 1913, " " 4 Dec. '13, \$15.

"Mar. 12, 1914, " " 4 Mar. '14, \$15.

"July 16, 1914, " " 4 June '14, \$15.

"Nov. 6, 1914, " " 4 Sept. '14, \$15.

"Dec. 9, 1914, " " 4 Dec. '14, \$15.

"Feb. 24, 1915, " " 4 March '15, \$15."

"\$500.

WASHINGTON, D. C., June 4, 1912.

"Three years after date, for value received, I promise to pay to Doran S. Platt, or order, the sum of five hundred dollars at —, with interest at the rate of six per centum per annum, until paid, said interest payable quarterly.

No. 6 of 8.

JOHN G. SLATER,
Address, 2200 Q St. N. W."

Endorsed on back as follows:

"John G. Slater. 500 & Int. 6% qr. 4 June 15.

"Pay to the order of Thomas R. Harney, without recourse to me.
Doran S. Platt.

"Sept. 4, 1914,	interest paid to date,	\$7.50.
"Mar. 6, 1913,	" " 4 Dec. '12,	\$7.50.
"Mar. 24, 1913,	" " 4 Mar. '13,	\$7.50.
"June 9, 1913,	" " 4 Jun. '13,	\$7.50.
"Sept. 10, 1913,	" " 4 Sep. '13,	\$7.50.

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"Dec. 17, 1913,	interest paid to 4 Dec. '13,	\$7.50.
"Mar. 12, 1914,	" " 4 Mar. '14,	2.50.
"July 15, 1914,	" " 4 Jun. '14,	7.50.
"Thomas R. Harney.		
"Dec. 9, 1914,	" " 4 Dec. '14,	7.50.
"Feb. 24, 1915,	" " 4 Mar. '15,	7.50.

"Pay to the order of Evelyn H. Stevens, without recourse to me.
Evelyn A. Stevens."

HENRY BENJAMIN.

Connected with the Perpetual Building Association about 12 years. The foreclosure of the Tennessee av-nue houses was by sale made May 31, 1917. Over objection of counsel for plaintiffs witnessed was allowed to testify that Arthur Carr was collecting the rents on account of Ruggles prior to the sale by foreclosure, and that Arthur Carr had control of this property from May, 1914, when Ruggles put them in his control, and he signed an agreement or letter agreeing to put them into Arthur Carr's hands and to turn the net rents over to the Association. There was a building loan of \$2,200 to one Bealmear on each of the ten houses, \$22,000 altogether, and it was so at the time of the foreclosure sale. There had been a reduction somewhat of the principal of the original loan but we have also had to pay taxes on it, and we have had to put up for repairs and to pay out in addition to the rent. The advances on it at the time of the sale were \$12,772.41 and we paid \$914.66 taxes and \$371.91 in repairs. At the time we took them over the debts on the houses were as they were originally, \$13,200. That was reduced at time of sale to \$12,772.41.

Cross-examination:

The loan was required to be paid off monthly. Bealmear should have paid one dollar per month for each \$100 borrowed. He had to take 220 shares of stock in the Building Association. He had to pay \$220 per month, half of which went to reduce the loan and half on account of interest. The loan was back in 1905 to Bealmear, a builder; he owned the land; ours was the first trust on it. Don't know whether it was a first lien when we advanced the money, but it was when we put the trust on. Don't know whether Beal-

mer used any of the \$22,000 to clear off incumbrances on the land. Some of the houses were paid off; he (meaning Bealmear, the original borrower) sold them to people. I don't know what was due on principal of the loan in 1912. The \$22,000 was ap-
106 portioned equally among the ten houses and we carried them on our books as separate loans of \$2,200. Did not pay over the whole \$22,000 to Bealmer. We disbursed it as the buildings went up as the work progressed we had it appraised and we paid Bealmear according to our appraisement. We got releases of mechanics' liens when the houses were built and withheld the money. The principal was not regularly reduced from 1905 until 1912 on these houses. Don't remember how long Bealmear kept up his payments as above arranged for. Mr. Arthur Carr is one of our directors and the appraiser.

107 Mr. Carr collected these rents because Mr. Ruggles' account was way in arrears. We had to pay taxes and redeem it from tax sale, and also he owed a good deal of interest. He owed but \$138 in interest, but he never paid very regularly for a year or two years before that, so we told him we would have to foreclose or he would have to turn the property over to us so we could get the rents out of it, and he submitted to that demand and turned it over to our agent, Mr. Carr. We had not been getting the rents, or anything in fact, except every once in a while he sent us a check. It was foreclosed May 31, 1917, under the deed of trust, because the account was getting more in arrears all the time. I think the property was in his name in 1917. Am very sure it was. It was taxed in his name at any rate. I don't know who collected the rents before Mr. Ruggles put the collections in Mr. Carr's hands in 1914 on our said demand. Ruggles still owned them; had title to them after we threatened foreclosure and made the demand that he put the collection of rents in Mr. Carr's hands. I do not know what the houses rented for. Did not collect the rents. Arthur Carr collected them.

LEVIN P. HANDY.

Real estate business for eight years at 1410 G Street. Known Ruggles four or five years, and Slater about 10 years. My father's office was also with Mr. Slater. Collected some rents for Ruggles on some property he acquired from Slater. At that time Ruggles did not have any office. I was not with Slater then. Collected on three houses, 1312-1314-1316 13th Street N. W. Am not sure whether I collected rents on Tennessee Avenue or not, but think I did. As far as I remember, Mr. Slater traded properties at 9th and M Street S. E., and 1531 Vermont Avenue for a farm in Herndon, Va. I just happened to be in the office at the time the exchange was made, and I think with Mr. Slater and Mr. Ruggles we went around to the different properties together to see them. Don't think Mrs. Ruggles ever went with me. I believe we only went to 9th and M, and Vermont Avenue. Never heard them make any arrangements
108 about values, or any statements. He didn't tell him anything while we were looking at them. He just took him down and

showed him the properties. I don't know anything about any other time. He just showed him these properties, and I think, told them what they rented for; that was all. Ruggles went down and went through the different properties, through the properties down there and through the Vermont Avenue property. There was no obstacle put in his way of making an investigation of the properties for himself at the time that I went with him. We went through the 9th Street property, but I don't think we went through the Vermont Avenue property. Don't know whether there was any reason why he could not go through the Vermont Avenue property. There was no objection to it on the part of Mr. Slater that I know of. I didn't hear him say anything about not being able to go through. Did not hear Slater make any statements about the Lincoln Boulevard going through that property, or having been provided for by the government on the occasion when Slater, Ruggles, Bachman and I went down there. Don't remember any such statement being made. No statement about a liquor license was made by Slater. There was a club in there but there wasn't any liquor sold as far as I can remember. Never heard Slater say anything about giving a liquor license there and about that enhancing the value of the property. I believe it was in 1913 we went down there, either in 1912 or 1913, but I think the month was around April or May, but I am not sure about that. I was only with Slater a little while after that, and five years can go by and you don't pay much attention to things unless there is something special that you should remember. Have no interest in this matter at all. I worked for Mr. Slater on a salary and did not have anything to do with the selling part of his business at all. I kept his books for him. Remember Ruggles coming into Mr. Slater's office, bringing his desk in. I bought the desk for him. It was put in Mr. Slater's office, I think in the outside room. Slater had the office inside of the partition, and had his desk in one side and a little table in the corner on which to keep books, sort of a bookkeeper's table. You come outside of the partition, and right outside of the partition through a swinging door was Mr. Ruggles' desk on the other side. When Mr. Slater went out he locked the door. Ruggles had no access to it when Slater was out. I think I did though. Don't know anything about a partnership between Ruggles and Slater. Believe I was there at least six months after Mr. Ruggles came in. They conducted business together. They had different things that came up. The transactions I know, were that they used to have banking transactions together, exchange checks and things like that. My recollection of the transaction with reference to the 13th Street property is, the houses were submitted to Mr. Slater by Lieberman and Hawn, and Mr. Slater told Mr. Ruggles he could buy these houses very cheap if he wanted them. Mr. Slater owned a lot of stuff at the time and at that time he could not carry any more real estate, and he told Mr. Ruggles it would be a good investment for him. So Mr. Ruggles bought the houses. Never heard Ruggles say anything with reference to the purchase after it was made whether it was satisfactory or not. When I left Slater I went with Mr. Jos. A. Hayden. Rug-

gles used to come around our office most of the time, and he stayed around our office a long time. I mean Mr. Hayden's office. That was in the Bond Building. Don't know when Mr. Slater moved from 1410 G Street. He fell and broke his arm and closed up his office. I believe he was confined; I don't know whether it was a long time; I think around six or nine months or maybe a year. Ruggles didn't have desk room or anything like that in Mr. Hayden's office, he just used to come down in the day time and sometimes did odd jobs for us. Almost anybody, I think, attended to his real estate trades at that time. Anybody that had a deal for him. Asked whether Ruggles ever made any complaint to him that Slater had failed to render an account to him, witness answered, "No, he never said anything about an account." He often talked about his properties but never said anything about any account. Of course I did not know what kind of deals he had together with Mr. Slater. After he made these other deals I did not know anything about them. The only deal that I ever knew about was the Herndon farm. I was in his office at that time and took Mr. Ruggles to see these properties and I know particularly about that farm there and that deal.

Cross-examination:

110 My father was not in business with Slater. He was in the real estate business for years. He was in Slater's office, and I think had desk room or just stayed around Mr. Slater's office. I was there as a sort of a bookkeeper but I did not have a thing to do with the real estate matters. Mr. Slater took me out in company with Ruggles and Bachman to see the property because I had the automobile. I was in Slater's office a year before Ruggles came into the office. I believe Ruggles was introduced to Slater by a man named Campbell. Don't remember when that was. Think it was sometime before the first deal was made. Asked how did it happen that he bought a desk for Ruggles, whether Ruggles asked him to do it, witness said, "I thought I knew of a desk a young man had a desk and I had seen the desk he wanted to sell, and I told Ruggles that I knew where I could get one for him." Ruggles had a key to the office but not to the private office. The room was about 9 by 12. The private office was only about four and a half feet. The nine feet were partitioned off. I never knew of anyone having a key to the private office except Mr. Slater. Ruggles might have had it, but I did not know anything about it. Ruggles did not tell me about his affairs. I did not know anything at all about what arrangement he was there under. Do not know how long they were examining the properties at 9th and M Street. I did not remain in the machine but went into the house with them. Mr. Slater and Mr. Ruggles sat in the back of the machine. It was a five passenger machine. All of us got out and went into the house together. We were there long enough to go through the entire building. I do not claim to have heard all the conversation that took place between Slater and Mr. Ruggles at that time. I did not even know what the exchange was until we got back. I do not know whether I heard all the conversation or not, and I don't say now that I heard all the

conversation that took place between them. Mrs. Ruggles did not go along with us at that time. I think she went out to see them but I did not go along. I went to the front of the Vermont Avenue property but did not go in as far as I can remember. It was all on the same trip. Conversation between Slater and Ruggles could have taken place in the rear of the machine without my hearing it. He might have told him on that occasion about the boulevard, the liquor license and that it would double the value of the property almost and I not have heard it, but I never heard him make any representations. He could also have said the 1531 Vermont Avenue property was worth \$12,000 without my hearing it. I know that sometimes Mr. Slater gave Mr. Ruggles a check and got one back from Mr. Ruggles, but don't know what banking operations took place between them. Slater had five or six different accounts, I guess. Very often Mr. Slater would run low in his bank account, so low that he had to "kite" checks. The Mr. Hayden for whom I went to work in the Bond Building was in the real estate business, but I don't believe

111 he came around to Slater's office while I was there. When Mr. Slater fell and broke his arm, his office was closed. The business Slater carried on was real estate business, mostly managing his own property. I could have known all about it. I wrote his letters for him, knew what his different properties rented for and what he owned. I was not there when he fell and broke his arm, and don't know when it was. I do not know whether his office was closed all the time when he broke his arm, but I know when he was home sick the office was closed. Don't know how long he was sick at home. I think he was home between six and nine months. I heard his office was closed during that time. I didn't have any reason to go around and find out about it. Ruggles did not do any work in Slater's office. I did not know of large sums of money which Ruggles had been paying over to Slater. Ruggles did odd jobs of carpenter work, and painting and work like that, and plastering—that is the kind of odd jobs I had reference to when I said he came around Hayden's office and did work. So far as I know Ruggles did not pay Slater any rent for that desk room.

By the Court: Just about how long was Mr. Ruggles occupying desk room space in Mr. Slater's office?

Witness: I guess for about a year.

Q. During that period you were in Mr. Slater's employ, were you?

A. Yes.

Q. You left while Mr. Ruggles was still there? A. Yes.

Redirect:

I was the bookkeeper. There was no sign put up after Ruggles went in there. His name was never up. Mr. Slater's name was up on a sign. It was there when Ruggles came and remained after Mr. Ruggles left, there was no change made in that regard.

DANIEL O'C. CALLAGHAN.

Member of the bar. Knows the parties to this suit. Have known Slater and a good deal of his business affairs since he came here from Richmond. He is a capitalist and does his own buying and selling of his own real estate. During the time I have been practicing law here and before that have been familiar with real estate sales in the District of Columbia, mainly in the East and Southeast Washington. Have known the property on 9th Street or Potomac Avenue as far back as I began to remember anything, and know about other properties down there in the vicinity of the Navy Yard. It is my birth site and I still own property there that has been in the family seventy-five years or more. In my opinion property at 9th and M Street was worth not less than \$12,000 before Colonel Slater improved it. In the Christmas season of 1911-12, when Colonel

112 Slater and his wife went to South Carolina on a visit, he left me in charge of the improvement of that property down there, and left me as many as a half dozen blank checks signed by him, that I might draw the money from the Riggs Bank to pay the weekly pay roll and the contractor who was doing the contract job on it. Furnace work was done by A. S. Johnson; the painter's name I do not recall. I believe the painting work was done by three or four journeymen, Colonel Slater buying the material. Colonel Slater spent between \$3,000 and \$3,500 on the property at that time. I disbursed most of it. And thereupon the following questions and answers occurred:

Q. Were you ever present when there was any statement or settlement made between Mr. Ruggles and Mr. Slater at any time? A. Yes, sir. I was connected with Colonel Slater for quite a number of years in his development and acquisition of properties in Washington, in what we locally called the Bluff's Point section of Old Washington, the brick yard section. I knew almost all that was going on around that office. I had a pass key to the office, and kept my land examination papers there in Colonel Slater's office, and made my reports, and I have heard frequent conversations between Mr. Ruggles and him, when Mr. Ruggles first came there.

Q. What did Mr. Ruggles say with reference to any indebtedness of Mr. Slater's to him or of him to Mr. Slater, in your presence? A. Probably a month or so before Colonel Slater met with his mishap, which I think was February about four years ago, there was an accounting between them and figuring made.

The witness further testified that Ruggles said he was not in financial shape to close accounts with Colonel Slater. He never said a word to witness with reference to any claim of partnership between himself and Mr. Slater. On the contrary the witness knows that there was no partnership between the two gentlemen.

Cross-examination:

113 Asked how he knew positively knew that, witness said:
"From my being in and out with these two gentlemen when

they were conversing over their affairs and Mr. Ruggles, when Colonel Slater would not be there, would talk to me about his investments here in the District of Columbia, and hoped that he would make some good turns on his investments here." I was Colonel Slaters' attorney. In my legal practice I was kept busy around the courts during this period when Mr. Ruggles was up there. There were many times when Mr. Ruggles and Mr. Slater were together when I was not around, on account of my business engagements in the courts. Mr. Ruggles was there about a year. During the six or eight months after Ruggles had his desk brought there, I was not always around when Slater and Ruggles had conversations together, though I was in the office the greater part of each day. During business hours of the day, I was not absent from there over two or two and a half hours. I never did any buying or selling of Colonel Slater's real estate although I think I knew of all his real estate holdings without exception. I was his confidential man. He consulted me with regard to his business, and buying and selling. He was a capitalist and he did his own business of buying and selling.

114 I am familiar with the 9th and M Street property, and think that Colonel Slater bought it in the Spring or Summer of 1912 from old man Kane. I do not now recall in whose name he took title whether in George W. Marsh or not. It might be so as Marsh was his conduit in transactions that involved a half million dollars here in the District of Columbia. Knew if he bought that property he would buy it in that way. I have drawn the deeds of trust. Marsh is an unmarried colored man. In the conveyances he always subscribed as an unmarried man. I think I disbursed in the neighborhood of \$1,500 of the \$3,000 that was spent in repairing the 9th and M Street properties, during the four weeks Colonel Slater and his wife were away. I kept the books of these accounts and in that way know of the rest of the money that was spent on this property. I was at those dealings before young Handy came there. Young Handy was not book-keeper there at this time. I taught him how to keep the books for the Colonel, and he added on to my bookkeeping entries. Think the property at 9th and M Street, S. E., worth at least \$12,000 before Slater put any improvements on it. Asked to tell of any sale in 1912 or 1913, in that neighborhood which sold for a dollar a square foot, the witness said that property in the square immediately west on the northerly side of Potomac Avenue between 8th and 9th Street sold at the rate that would equal at least One Dollar a square foot. Asked to tell about that sale, who bought it and how much was paid, he said "I cannot tell who bought it or who sold it unless I examine my records. It was sold at a court sale to the best of my recollection in the Spring of 1913. Was not present at the sale, but know the trustees' report and think the price was in the neighborhood of \$3,500. It was about the middle of the block between 8th and 9th on the north side of Potomac Avenue. It was used for a residence. Brick improvements, two stories and a hip roof. It was about 25 front and in depth extended through entire block to L Street about 125 feet. The improvements

worth \$1,500. I have known this Slater property since I could begin to remember. As I understand it, he bought it in December, 1911. The brick house on the corner which we locally called the Auterback residence was constructed, as I recall about 1860, and in its day was the finest residence in East Washington. A most substantially constructed house, pressed brick front, iron cornices, fine frontage on 9th Street, and then its northerly side was the Potomac Avenue side. The best brick work of its class in its day when it was

constructed. Next was one of the East Washington heights
115 houses, a large substantial brick house of about three stories and attic, next south of the corner house probably a building of 25 feet front, possible three stories and attic, and — its day before the Board of Public Works graded there, it was the cellar or basement part of the house. The Board of Public Works graded there,

exposed the cellar, and it became a basement. On the corner
116 was a frame of two stories, in quite a fair habitable condition.

They were not in bad condition generally. Asked why they spent \$3,500 on properties down southeast if they were not in pretty bad shape, witness said, "The interior was entirely refurbished by Colonel Slater. It did not need it. It was making the property salable, more salable." The chancery sale he spoke about was the only real estate transaction he knew of in that locality, in 1912 or 1913. Kept Slater's rent accounts on these properties. One was rented for \$40 about six months to men from the Navy as a club and the frame to a colored man for an oyster house for about \$25. It was sometime before we got a tenant for the third house. The accounting between Mr. Ruggles and Mr. Slater, which he testified about, was in the Winter of 1913-14, possibly along in January, 1914, a short time before Colonel Slater met with his mishap. I think Miss Henault was present and I believe she did some of the setting down and casting up of figures. The items were called off, the transactions they were engaged in were put in columns, footed up, and a balance struck. Don't know where Miss Henault is now. Think she is married since. Think she may still be in the District of Columbia. She took down from dictation. She attended to everything and put it on the paper. She was assistant book-keeper and accountant there. Witness knew her father who lived down in Prince George County. This all took place in the exterior room, outside of the partition. I was there engaged in my work of the affairs I was doing for Mr. Slater. I was not requested to be a witness of the conference between Mr. Ruggles and Colonel Slater. Slater brought his books, papers and checks out there so they could be spread on the table and looked over. It occurred in the outer office and not in the 4 by 9 room. I do not know who asked for the accounting. It came under my observation probably in the afternoon, say between four and five o'clock, when I came in from somewhere. The papers were not shown to me, but I heard the talk between them and heard Miss Henault announce the footings
117 and what the balance was as struck. I do not know how long they had been engaged before I came in, but I was there probably a half hour when it came to a finish and the figures then

were added up. I was not there all the time. They were engaged over this affair, going over their books, when I came in. And thereupon the following questions were propounded by the Court and the witness made the following answers thereto:

By the Court:

Q. Mr. Callaghan, what were they to account about? What was Colonel Slater and Mr. Ruggles to account about? What was the nature of their transactions that they had with one another that would require Mr. Slater to account to Mr. Ruggles or Mr. Ruggles to account to Mr. Slater? A. Mr. Slater and Mr. Ruggles desired to know how many thousand dollars had passed backward and forward between them in all their transactions.

Q. What transactions, if you know? A. The Ruggles purchases and Slater's investments and the borrowing of one another's——

Q. (Interposing.) What relation was there as to Slater's investments and Ruggles' purchases? A. Mr. Ruggles wanted to make up figures of how much money he had been putting in and taking out of his real estate investments here in the District.

Q. What relation did Mr. Ruggles affairs, his money that he had paid out or had been taken in, as the case may be, to do with Mr. Slater's affairs? A. Because the financial transactions between them were so interwoven that many of the items that Mr. Ruggles considered were matters that Colonel Slater was indebted to him for, Colonel Slater was able to show that they were pure cash accommodations between themselves in the exchange of checks, or each having the other's note drawn and discounted, one drawing a note in favor of the other.

118 Q. I am assuming that you are speaking from your own personal knowledge of what you observed and heard during your intimate connection with Mr. Slater's office. What I am trying to find out, if you can tell us is what was the character of business between them? A. Mr. Ruggles had many checks that were in favor of Colonel Slater, Colonel Slater had many checks of his own in Ruggles' favor. They were canvassing for what object were these different checks given one to the other, so as to weed out——

Q. (Interposing.) I am asking if you can tell us what the character of the business relations was. These checks, I take it, were the result of business transactions that passed between them. What I am asking is if you can tell us from your own knowledge what was the character of the business transactions between Mr. Slater and Mr. Ruggles that would call for a final statement of account. I want to know, if you can tell us, the character of the business the two men were engaged in that led to this statement or accounting. You do not refer of course to the kiting of checks? You do not mean that, do you? A. Yes.

Q. Do you mean that Slater kited checks for Ruggles? A. Ruggles' checks in favor of Colonel Slater.

Q. Did Slater kite checks for Ruggles' benefit, or did Ruggles kite checks for Slater's benefit? A. Each did for the other.

Q. Then this statement of account was merely to ascertain how they stood on this kiting of checks? A. And all checks that were not kiting checks.

Q. I ask you again if you can tell us what was the character of the business going on between Slater and Ruggles that required for or made proper an accounting such as you have described to us between the two men? A. Mr. Ruggles would want some money for some purpose of his own.

Q. He borrowed from Slater? A. And in that case he borrowed.

Q. So Mr. Slater had let Mr. Ruggles have money on checks that Mr. Slater drew on Riggs Bank. A. Yes, sir.

119 Q. Have you any idea how much that amounted to, how much they totalled? A. There were a great many hundred dollars involved in the checks passing to and fro between them.

Q. I am referring more particularly now to these checks which Slater drew on Riggs Bank in Ruggles' favor to accomodate Ruggles with loans of money. A. Yes, sir.

Q. How much did they total, have you any idea? A. I should suppose they may have ranged into \$20,000.00, possibly, or more. Ruggles would pay him back at times with checks on his account.

Q. You are not now speaking of the kiting operations, but of actual loans? A. Yes, sir.

Q. Loans which Slater would make to Ruggles? A. Yes, sir.

Q. Over how much of a period of time did these transactions run, if you can recall, in which Slater loaned as much as a total of \$20,000.00? A. Covering the nine or twelve months they were together in these financial handlings.

Q. Then it was that this statement of account was necessary? A. I know they examined the stubs of their checks for explaining what objects the checks were drawn for, so as to show that it was not involved in any——

Q. Did it appear from your observation and what you heard there that Slater was putting up money for transactions in which Ruggles was interested? A. Yes, sir.

Q. And that Ruggles was putting up money for transactions in which Slater was interested, during the same period? A. No, sir.

Interrogated further by the court, the witness testified that the colored man Marsh was used by Slater as a conduit and that he knew of his own knowledge that Marsh had taken title for as much as half a million dollars worth of property for Mr. Slater. Marsh does jobbing on houses and repairer of plumbing. Has been working for Colonel Slater quite a number of years. He is a jobber to this day. When witness first made his acquaintance with Slater, Marsh was
thirty or maybe a little older. During the succeeding years
120 I knew of these transactions amounting to half a million dollars, which I have spoken of, where Marsh took title for Slater. Marsh did not take title to the Tennessee Avenue houses.

I was with Colonel Slater at the time he closed the matter in Mr. Rhodes office. That went direct from Rhodes to Ruggles. I gave Colonel Slater the raft of the deed. I did not prepare the deed. It was filled in by the typewriter. And then I was asked as to when he was going to furnish data for the alteration of the name of the guarantor. The largest individual bill for repairs on the 9th and M street property that I paid was over or in the neighborhood of may be \$400, to A. S. Johnson, for the furnace and latrobe repairing. There was painting, paperhanging—not carpenter work—and painting of the roof and some overhauling of the downspouting. Mr. Johnson was the only direct contractor for the furnace work. Witness thinks the paper was purchased from Spellhouse on 7th near S, northwest, Mr. Slater making a line of credit there for a journeyman paperhanger. Eight or ten large spacious rooms were papered in the Auterback house; four to six in the middle, old, brick; and he thinks five rooms in the frame. He don't know the price of the paper. The whole interior of the houses were painted. All the outside wood work, the fronts were painted; the old brick was a plain gray front. but the press brick was repenciled. As to this painting there was no contractor there. All the roofs were thoroughly overhauled and the downspouting and guttering. Then there was some iron work, probably a six step or eight step porch, steps put to the old center brick house that you could only get access to through what was at one time the cellar. Colonel Slater, if he preserved them would have all of the evidence in the shape of the checks to show what was expended by me. I was never given any cash by Slater to pay out. I got it through these checks. I think the work cost between \$3,000 and \$3,500.

121

JOHN G. SLATER.

I am the defendant in this case. Am seventy-two years old. Have lived in Washington since 1872. For the last seven or eight years have been engaged in the business of buying and improving property, and selling it or trading it. I am not a real estate broker, and never had a transaction for anybody else for which I was ever paid a commission from any one. I attended to the management of my own affairs, buying and developing and selling and exchanging property. Met Mr. and Mrs. Ruggles in the Fall of 1912. Mr. Campbell and Mr. Bachman introduced them after meeting them. They came here first before I visited their property. Mr. Campbell and Mr. Bachman took them around and showed them the property. I think I went with them on one occasion. Don't remember whether it was the 1st or 2nd time. I sent them to see the 9th and M Street property, and then the Vermont Avenue property, and then the Kramer Street property. I showed them also the Duckett property at the corner of 22nd and Pa. Avenue. We went in an automobile to the 9th and M Street property. Young Levin Handy drove the machine. Mrs. Ruggles, I am certain, and I think Mr. Ruggles, were along on that occasion, but I won't be positive as

to that. Campbell and I think Bachman were along, though I don't remember his being along, but I know he went with them with Mr. Campbell. I never heard of any Lincoln Park Boulevard coming there or any other place, and I made no representations. Mr. Ruggles asked me if I could get a liquor license there and I told him that I thought they could if they wanted it, but I did not want one under my name. That was in 1912. I told them that I thought the property was worth \$14,000. I bought it from Mr. Kane in 1911 and took title in the name of George W. Marsh, as I frequently do, I am doing it to-day. Some times my wife is away, and I can have it signed right then and there if I make a quick trade. I paid Mr. Kane for his and gave him a note for \$5,000 for the difference, and paid him with money, and then after I had fixed it up I borrowed \$6,500, after I had put it in perfect order. The plumbing was all gone. There was none of it there. The furnaces were all gone. The roofs were all in bad condition, and the plastering was in bad condition. There wasn't a glass in the houses, the same condition it is today. I had it fixed up. I had iron steps put up instead of the

122 wooden ones. I had the gas fixtures put in. I had everything done that was necessary to put it in first-class condition.

I expended about \$3,500. The plumbing work was about \$1,000. Mr. Johnson's bill for steam heating wasn't quite \$400, and then I had latrobes put in the balance of the houses so that if they did not want to build a fire in the furnace they could have latrobe heat. At the time of my conversation with Mr. and Mrs. Ruggles, there was a tenant in the property who was paying \$40.00 a month, who had gotten there as soon as I had finished fixing it up in the Spring of 1912. Asked if it was a bone fide tenant, witness replied, "It was Mr. Campbell of Capital Hill, who stood pretty well; he was then representing one of the Fidelity insurance companies here in town. He had been in there five or six months before this transaction. He fitted up lockers all over the house. The plaintiffs had from November until January to investigate this property for themselves, but she could not sign up because she had some agreement with somebody else for a trade. I took them there and allowed them look at it, and I do not know whether they went there again or not. I never asked them. I went with Mrs. Ruggles to see the Vermont Avenue property, but I do not know whether I ever went there with Mr. Ruggles or not. I told them the Vermont Avenue property was worth \$12,000; that is an equity of \$6,000. I told them there was a trust of \$6,000 on it. \$6,500 was on the other property, and that is what I told them. There was \$6,000 on the Vermont Avenue house at the time I got it. I got it in a trade. I made a reduction of \$500 on that trust on account of Mr. Ruggles after we made the trade. I paid \$500 on the principal, and paid Mr. Matthews \$25.00 for renewing \$5,500 for three years. I identify this as my check dated March 5, 1913, on the Federal National Bank to the order of H. S. Matthews for \$625, endorsed by him and marked "paid." The \$500 was for a curtail. \$25.00 was for commission paid to Matthews for renewing the loan, and \$100 was for interest due by me which I owed. I only charged Ruggles up with \$525. The com-

mission of \$25.00 was the cheapest I ever had. I never made any other representations to the Plaintiffs with reference to these properties."

Q. Do you know what they did afterwards with reference to taking possession of these properties? A. The house on Vermont Avenue was rented, and I think they asked the tenant to move and let
123 them move in. I am not certain about that, however. They did move in and have lived there from that day to this. They let the property on 9th and M Street- go to pieces. They did not fix it up. They had it rented for a little while, and then after the tenants moved out, they would not fix it. When a tenant moves out of a house that I have anything to do with, I fix it up immediately so as to get another tenant. They had the little frame house rented for a little while, I do not know how long. About this time I traded the property on Kraemer Street together with a piece of property at 311 13½ Street, for some personal property on the Herndon farm and 15 acres which adjoined it. I took them to the Kraemer Street houses, which had at that time \$1,500 a piece on them. I told them that, and it was true. The taxes and interest were paid up to the present time at that time. I told them at the 13½ Street place, right there by the District Building, that there was \$3,500 on that, which was true, and that I would trade them that for their stock on the place and the 15 acres. One of the Kraemer Street houses went for the 15 acres. The deed to that was made to Mrs. Ruggles, and the deed to the other and the deed to the 13½ Street house was made to Mr. Ruggles for the stock. They went to see these pieces of property. I carried them to see them myself. They went through them. That was just about the time of the first transaction, maybe a few days later. I went up and looked at the farm. Mr. Campbell carried me up there to Mr. Bachman's house, and Mr. Bachman hitched up his wagon and drove us over to it, and I went over it. The house set nearly in the middle of the property, and I looked at it then, and I told them that if they had made up their minds to trade they could do so, and then I would look at it further. So they did come in and look at the property again and that was the time that I went with them. I had not gone with them to see the property before. They looked at it and said they would trade, and then I went up
124 there and Mr. Ruggles walked with me from the house back to the back road. The property sets on two roads. Then I walked back again with him to the house. I think it was in November. There was some delay in signing up the papers. He said he could not make the transfer or could not deal in it until she had gotten through with this contract she had with some other dealer here in town. There was a sale agreement drawn up in my office for this Vermont Avenue property signed by me and Mrs. Ruggles, with Campbell as witness. Bauchman knew of it. I have made careful search for that contract, but could not find it. Think it was in duplicate, but don't know. Do not remember how long I had the Vermont Avenue property. Mr. Matthews just asked for a curtail of \$500 and then he was willing to renew and let it run for three years, I

think at 5 or 5½ per cent. In the years 1913 and 1914, the latter part of 1913 the bottom dropped out of the real estate market. A piece of property that had brought six or eight thousand dollars would not sell at all. You could not even get the boys to an auction sale, and could not get anybody to buy it. In other words there were no values. In the Fall of 1912, and Winter of 1913, business was going on pretty fair. I looked at the Nelson County farm first. Asked how it was he did not complete the negotiations for this first and then take up the other, witness stated, "Went up and looked at it. I think there was a tenant on the farm. There was a man there. The plaintiffs were then living at Herndon. I think it was in September or October of 1912 that I went up with Mr. Campbell to look at the Nelson County farm. I did not have any trade at that time with reference to that farm. I offered Ruggles the Duckett property up here, but he would not trade for it, so we dropped it. In February, 1913, I renewed negotiations for the Nelson County farm. Mr. Ruggles made out a written contract in his own handwriting in reference to that transaction." Plaintiff's Exhibit No. 7 is handed to the witness, who identifies it as being in Ruggles' handwriting, and characterizes it as a contract of exchange of the Nelson County farm for the equity in the six pieces of property on Tennessee Avenue. Ruggles took possession of the Tennessee Avenue property in March 1913. He never executed me a deed for the Nelson County farm, because I told him to sell the farm and get the money and bring the money. He sold the farm, got part of it in money, and part of it in a note. He bought me one note, which I took up to the bank at Nelson, and they discounted the note. I took it to the Nelson County Bank because of a letter I got Mr. Ruggles to write to that bank, and a letter which the bank wrote to Ruggles telling him how and what to do. Which letter was offered in evidence and marked "Exhibit Slater No. 2." When Ruggles gave me this letter from the
125 bank he told me I should go up there and sell the note; that they were ready to take the note. I went up and got the money, \$4,850, from the bank. I got \$9,500 in money from Mr. Ruggles on account of the Nelson County farm, and this note, making in all \$14,500. I went to Mr. Rhodes and told him to transfer the Tennessee Avenue property to Mr. Ruggles and not to me. At that time I had the contract with Mr. Rhodes for the purchase of that property which has been offered in evidence. The property was then subject to a trust in addition to the \$2,200 trust. I cleared up the subsequent trust in order to give Mr. Ruggles the title to the Tennessee Avenue property. I have the notes which I paid to accomplish that purpose. (Witness produces the trust notes, 12, made by Rhodes, for \$122.33 each, and one made by witness for \$900, which were offered in evidence marked "Exhibit —.")

Ruggles gave me this \$14,500 in money, and put up other properties which he was buying. I counted the note, which was discounted, as fully \$5,000. Ruggles took possession of the Tennessee Avenue property in March. I took him up there. They were all

occupied. Mr. Ruggles then assumed control and began collecting the rents. This continued for about a year, and then the controller decided they had to pay in the full amount. Instead of paying the 6% interest on the amount, they had a pay a curtail and the 6% interest. I do not know how long the trust had been running. While I had the property I had to pay only 6% interest. I told Ruggles that the Tennessee Avenue property rented for \$20.50 apiece, which was true. Asked if Ruggles had an examination of this property, witness said he was here in town and could have gone and looked as often as he pleased. It was two or three months after he collected the rent before witness got the deed. I borrowed \$5,000 on the Herndon farm with all the stock, and then Bauchman brought me in a gentleman to whom I traded the equity. On March 15th, 1916, the day the Bill was filed in this case, I owned neither the Herndon farm nor the Nelson County farm. I never had any partnership with Ruggles. I told him he could have desk room in there, and he came into my office. He never paid a cent for desk room, nor any cost of anything. I never had a transaction with anybody in which Ruggles was jointly interested with me.

126 I got \$3,500 from Mr. Ruggles which did not belong to me.

I got that along in March, I think. He gave me checks for it. Asked what checks he gave in return to Mr. Ruggles for any amount that he may have received from him, the witness said, "I paid \$100 to Lieberman and Hawn to bind the bargain to take these 13th Street houses for Ruggles' account. I had no interest in them except to get them for him. He had seen them before I made these checks and authorized me to do it. Then I paid \$1,675.81 on the same account. I paid Henry S. Matthews \$525. I gave him a check for \$675, but \$525 was Mr. Ruggles', and I considered that I owed the other interest on that money myself and did not charge him up with any part of it. That was for interest that had accrued prior to the trade." I never had Ruggles' note discounted in the bank, but he had mine for \$1,500 discounted in the Continental Trust. I got the benefit of it and I paid the note. I know Bauchman and heard him testify that he had an arrangement with me for 3% on any business he brought me from Ruggles or anybody. It is false that I had an arrangement with Bachman to pay him 3% on any business that he brought into my office from Ruggles or from anybody else.

I never heard of such a claim until he entered suit against me April 7th, 1916. I had seen him frequently in the meantime, but he had never made any demand on me for any such claim. But he did swear that I owed him the money and Mr. Campbell, and the Court decided that I did not. I borrowed some money from Mrs. Ruggles also through Mr. Ruggles a good long time after these transactions and I paid the paper. I paid every dollar that I ever borrowed from these people or received from them on any account. Asked the nature of the business Ruggles was in after he came to Washington to live, witness said, "Mr. Ruggles bought property on his own hook, or anything else he saw, automobiles, or anything he wanted, or bought stock. I did not have anything to do with these

transactions. I never made any profit or sustain- any loss with reference to them. I was never called on to. I never was called on by Mr. Ruggles to contribute to any of these transactions. He bought the note made by McDonald to the order of Charles W. Slater, himself. I did not tell him anything about buying notes. I carried him some notes which I told him were good, and he bought them and paid for them and the party paid the commission and paid the notes. He got a bonus for some business I brought him at that time successfully. I never asked him to divide any profit that he made on anything. I never paid or promised to pay Mr. Bachman any

127 commission on account of either the trade of the Nelson County farm or the trade of the Vermont Avenue and other property for the Herndon farm.. In that transaction Mr. Campbell was my agent and I had none other. As to "kiting checks," sometimes I would want a little more money than I had, and I would give Mr. Ruggles my check and he would give me his, and I would deposit his check in my bank, and then give him the money to take up my check the next morning." There was no instance in which I failed to carry out my part of the transaction. After I was hurt I was confined to my house, and did not get about to do anything possibly for about six months, during which time my office was closed. My books got scattered about; I don't know how, because I was not there to look after them. I have found some of the checks which represented transactions between Mr. Ruggles and myself, but have not found all of them. Some of these which you now show me are on the Commercial and different banks, and they have all been paid and are so marked. Some of them are to the order of Gertrude S. Ruggles, and some of them to Mr. Ruggles. Witness further testified that he paid \$700 on a piece of property bought on 7th Street, and \$800 for a farm at Bowie for Ruggles and put up \$100 deposit on a house on S Street, to buy it, and Ruggles didn't buy and lost the deposit. Don't know the total amount of checks which he has been able to find. I have had experience in real estate values here in the District, buying and selling, quite extensive dealing with real estate. Have bought property around town in every section of it. Asked if he knew values of property on Potomac Avenue at the time he sold to Ruggles, witness said, "The property on Potomac Avenue was assessed by the Government at \$10,000. I thought that the property after I fixed it up was worth about \$14,000. The income from the rents paid the interest on that. I know the Vermont Avenue property and the Tennessee Avenue property. The Tennessee Avenue houses were built by Mr. Bealmear. There was a trust of \$2,200 on the Tennessee Avenue houses, and he traded for \$4,000 and the man wanted to back out and the Court made the man take all the houses. I gave Fred Rhodes thirty some odd hundred dollars for them." Asked if he concealed from Mr. Ruggles any question of Vermont Avenue neighborhood, witness said, "I carried him there and he saw it." Asked if he diverted Ruggles' attention, witness said, "There was not a 'darky' in the square on either side of that square when I carried him there, that is, I mean

128 fronting on Vermont Avenue. And there was a very handsome flat right across the street on Q and Vermont Avenue."

It is only one block from Iowa Circle. When I took Mrs. Ruggles out there we got out of the car at Rhode Island Avenue and walked up Rhode Island Avenue to Iowa Circle, Vermont Avenue, and showed her this house on Q Street, which is the nearest way to go. If I had taken her down Q Street, it would have been just as nice looking, for Q Street is nice there.

Witness: There is one thing my counsel forgot to ask about, the Third Street property, 1314 3rd Street, there was a \$1,500 trust against that and I sold it to Mr. Ruggles for \$3,000, and he paid me \$1,500 cash. He neglected the property and let it go down, and it was sold out under the hammer. Another party bought it and spent \$150 on it and sold it for \$3,500 to the United States Government by appraisement. It is not so that I gave Mr. Ruggles any stock for security for a balance due. "I did not give him any stock for security for anything, because he was in my debt about \$1,900, and admitted that he could not pay it. But I did make him a present of some stock, and I told him at the time that if the thing was a success (which was a short-hand writer that they said could write two or three hundred words per minute), but it never became a success because they got into litigation and it wound up." I gave him the receipt which has been offered in evidence and if it ever is issued again, he can have that stock. It has never been re-issued and the Court up in Delaware will tell you that. What Mr. Ruggles testified is true about the Stetson note. I never offered it to Ruggles, however. My son Robert had Mr. Stetson's note for \$10,000, which was paid. I think he had them for some twenty-five or thirty thousand dollars, but not in that concern. Mr. Stetson's note was to be discounted or whatever was wanted. He gave it to my son for an obligation, and he sent it to me and asked me to have it discounted here, and we were having hard times about that time, and the banks said it was a- out of town party and they could not take it. I took it to O. G. Staples, and he wanted me to sell it to him for \$8,000, and I told him, "No indeed, that I would sent it back." I told Mr. Ruggles that this was a very rich man. It was Stetson, the hat man of Philadelphia. I did not offer the note to Mr. Ruggles.

129 Cross-examination:

It was my opinion and I represented to Mr. and Mrs. Ruggles the 9th Street property was worth \$14,000. I had spent about \$3,500 putting it in condition before I showed it to Mr. and Mrs. Ruggles. Think I took them to see it in November, 1912. I think it was in 1914 that the tenants moved out. One of them I think went out in 1913. I was getting \$40 a month from him. I think the reason he went away was because the boats were being sent away from here, and he did not have men enough to run his club. I practically rebuilt the frame house. The tenant in it kept a cook shop. I did not put any special value on that one house. Put in it latrobes, range, floors and windows; fixed up the fences and roofs; cleaned out

the cellars, practically rebuilt it. Painted it inside and out, papered it and put in plumbing work. The tenant was not in there when I made these repairs. It was just like it is today, it was all gone to pieces. That man paid \$15 rent. Don't know total of repairs on that house. The trouble with the house was the flooring was knocked up, the doors knocked off and the windows knocked out. Did not have the middle house tenanted when I showed it to Mr. Ruggles, and did not rent it afterwards before I traded it to him. Papered all the rooms in all the houses. Haven't any idea what the repairs on the middle house came to. The paper for the three houses, I don't know how much it cost, but not \$100. Papering the frame house cost about \$35. Painted it inside and out. The whole house was painted. It required it inside and out. Don't know what the painting cost me. Do not know of a single sale in that neighborhood. It was assessed for over \$10,000. Did not know the depth of any of the houses. Do not know the assessment of the ground and the improvements separately. I was not guided in my estimate by the assessment. If I look at a piece of property I make up my mind what I think it is worth myself. If I want it I take it, and if I do not, I let it alone. I had nothing to do with the retirement by Mr. Drury of the \$1,000 note and the \$500 note which had been sold. I deposited at the Riggs National Bank and at three or four others at that time, and I do yet. Do not know whether Drury was a depositor at the Riggs Bank or not. There was no exchange of money or checks between Drury and me at the time Mr. Harney's notes were retired. I knew nothing of it. I did not place \$1,500 in the bank for the purpose of meeting his check. I had no arrangement with him for relieving witness of \$1,500 of the notes secured by the deed of trust.

130 Asked to explain why Drury had released him by cancelling those notes, witness said, Because he had got the property and he could sell it to better advantage than by fooling around the other way. I do not know what he knew, but I do know that I had no arrangement with him except to borrow that money and pay him his commission. I did not return the money directly or indirectly to Mr. Harney. I never saw him and do not know him. I never made Mr. Drury whole as to this \$1,500. He has never asked for any wholeness. I did not know anything about the trust being reduced to \$5,000 in a short time because I had nothing to do with it and would not interfere with it. If the property had ever been put up at public auction, I would have been there to buy it in, if it went below that, certainly. The \$5,000 note, given by George W. March represented a part of the consideration which I was to pay Mr. Kane for the property. It did not represent a loan by the Washington Loan & Trust Co. The \$5,000 trust had to be released before these people would make the loan of \$6,500. That money was put up, as I understand it, and paid into the Washington Loan & Trust Company, and the note carried down to the Columbia Title Insurance Company, and then they passed the title. The March trust had to be released before I could get any money on the \$6,500 trust, of course. I reduced the trust on the Vermont Avenue property

\$500 with Ruggles' money. That was at the maturity of the note. I also paid \$25 for renewing it, and that left \$150, which I owed as interest. I think it was March that Ruggles gave me the money. I took it out of moneys that he had given me. Asked if Mr. Ruggles had authorized the \$25 payment, witness said, "I do not know that he authorized me to pay \$25, but that was the price that the gentleman asked to renew that note. Do not know how much the 13½ Street property was renting for when I traded it to Mr. Ruggles. It was in the segregated district."

And thereupon the following questions and answers occurred:

Q. What was your interest in Mr. Ruggles' business welfare? A. I wanted to see him make some money.

Q. Why was it that you did not charge him for desk room there? A. I had the office there anyway, and if he had been in cahoots with me, he would have had to pay his rent.

Q. You invited him to come there, didn't you? A. Yes, I told him he could come there and have desk room there.

Q. The transactions about which you have testified were initiated by you, were they not? A. Which transactions?

Q. The transactions of the 13th street property and the Third Street property and any other transaction except the trade 131 for the Herndon farm and the fifteen acres? A. That is right.

Q. As a matter of fact, on the Thirteenth Street property matter, you signed Mr. Ruggles' name while he was away, didn't you, and made a deposit? A. I never signed Mr. Ruggles' name to nothing.

Q. Didn't you sign that "per John G. Slater"? A. I never signed Mr. Ruggles' name to nothing.

Q. You did not sign the agreement when you made this deposit of one hundred dollars? A. No, sir, I never signed Mr. Ruggles' name. I signed my own name, if I signed anything at all.

Q. Mr. Ruggles was not here when you did that? A. Mr. Ruggles went in there with me when we were on F Street.

Q. When you put up the one hundred dollars? A. Yes.

Q. Why was it put up with your check instead of Mr. Ruggles' check? He had a bank account, had he not? A. I don't know what he had at that time.

Q. You were borrowing money from him and kiting checks with him? A. No, sir, not at that time.

Q. At the time that agreement was signed? A. No, sir, I was not. I was not borrowing a cent from him.

Q. How about the time when this larger check was given to Liebermann & Hawn? A. I was not borrowing the money. He gave me the money to pay.

Q. Why didn't he give you that check? A. Because he asked me to settle it for him. I just settled a case here the other day for a gentleman, seventy-five hundred dollars. He didn't come to look at it.

Q. You were doing this out of philanthropic motives? A. Absolutely, and never got a penny, never saw a penny. The property

was assessed at twenty-five thousand dollars and he got it for fifteen thousand dollars.

Q. He signed that agreement and you put up your check out of moneys that he had given you? A. Yes, I think that is right.

Q. You are positive that he was not present and not here at that time? A. I know he was not here. Look at the date of his check and you will see for yourself.

132 Asked if he was anxious to get the Nelson County farm witness said, "No, sir, I was not very anxious. In the first place, if I had been very anxious I would not have waited that period of time. I went up there and looked at it and made him an offer, and he didn't do it, and I didn't bother with him any more." Was not anxious enough to insist on a deed to that property. Asked whether he was concerned about having title to it witness said he thought Ruggles was an honest man and he could get the deed before he gave his. Thought it the only businesslike way, to transact business, that he knew of, to send the owner of the piece of property down to sell it for him. "Absolutely, and if he hadn't brought me back the money, he wouldn't have got my property, would he?" He did not testify that he let him collect the rents on the Tennessee Avenue property, but he give me the money and the notes are part of the money. He had given me the money. The Nelson County farm was not sold after he was collecting those rents and he did not so testify. His letter does not say it was subsequent to the date of the letter. He gave me the money in March and he got that property in March. I had the note. Asked Ruggles to get it discounted because he knew the parties up there, and witness did not. Did not try to get it discounted at his bank. Did not collect rent of his houses after he turned them over to Ruggles. At that time witness was the owner of those houses. In the Rhodes transaction, witness gave Rhodes \$500 in cash and assumed the trust that Rhodes had placed on the property. Gave his note for \$2,740 and this covered payment of the Rhodes second trust notes, amounting to about \$1,586. Curtailed his note every three months. The notes were put in the Commercial National Bank. Has not the original of the letter stating the terms of his purchase from Rhodes. Got six houses. Don't know where the original letter is and don't remember it. The copy is absolutely the terms on which it was paid for. It was not considered an option between him and Rhodes; he really bought them; he put up his money; he was really the owner of that property. He remembers being sued by Mr. Campbell for a commission on the sale of those houses. Campbell sued in that case as the agent of witness, claiming the sum of \$2,000, commission. Witness was thereupon shown his affidavit of defense filed by him in Campbell's said suit and he identified his signature to said affidavit, whereupon said affidavit was read in evidence and marked as an exhibit, and it is annexed hereto and marked Plaintiff's Exhibit No. 15. The said affidavit was filed in Law case 56059, Thomas R. J. Campbell against John G. Slater, defendant; was executed on the 18th day of August, 1913, and filed in the cause on August 18, 1913. He bought those houses

subject also to the Building Association loan of \$2,200 each which had to be reduced so much per month but it never had been. The six per cent had been paid until this other administration came in and ordered payment of double the amount; in other words, instead of paying say \$60, you should pay \$120. That was the requirement of the Building Association when this loan was made in 1905 but they never had enforced it. All that he ever paid on it after he got the property was the six per cent. All he told Ruggles when he handed him the deed was that there was a twenty-two hundred dollar Building and Loan Association loan upon that property. As to the erasures in the deed, he never put his hands on the deed except to hand it to Ruggles. It was handed to me and I handed it to him. I told Mr. Rhodes to make the deed to Mr. Ruggles. I don't know whether he would change that deed or make out another. I didn't do it. Witness did not ask Rhodes to change the name of the grantee in that deed. I had never received a deed to the property and had never seen that deed. Never looked at that deed until it was handed to me and I carried it to Mr. Ruggles. He does not know of any sale in that block in 1913 or since 1913. Does not know what time it was that he borrowed \$5,000 on the Herndon farm. It was shortly after he got it. He was trading the equities in the Vermont Avenue and the 9th and M street properties for the Herndon farm; does not consider that it was unusual in his deeds to Mrs. Ruggles to have the clause making her personally liable for the payment of the trust indebtedness, although they were only trading equities. It is usual for the purchaser of an equity to assume to pay the trust
133 indebtedness instead of buying and taking a deed subject to incumbrances; does not remember who drew the deeds to Mrs. Ruggles and didn't know the handwriting in the deeds; counsel for defendant conceded that the deed to the Vermont Avenue property was in the handwriting of Charles Handy, since deceased; the clause in this deed making Mrs. Ruggles personally liable for the amount of the trust debt was put in there and signed with the knowledge and consent of witness and he did not consider it unusual in his trade with Mrs. Ruggles to make her personally responsible for six thousand dollars, nor for the sixty-five hundred dollars on the other property, although they were trading equities; when he said on direct examination that he had gotten rid of everything he got from the Ruggles before March 15, 1916, he meant that he had gotten rid of the Herndon farm.

And thereupon the following occurred:

Q. You say that you never had any transaction with Ruggles jointly in any matter? A. I never did.

Q. Will you please tell me what he gave you \$3,500 for, one item that you admitted that you got that did not belong to you? A. I just told you.

Q. Why did he give you thirty-five hundred dollars? A. Fifteen hundred dollars of it was paid to me on this 1314 Third Street. Seven

hundred dollars I paid for the Bowie farm, and seventeen hundred and fifty-five dollars for the 13th Street houses; five hundred dollars on the house he lives in—five hundred and twenty-five dollars, rather; and one hundred dollars put up as a forfeit and he didn't take the property on S Street.

Q. What were you doing handling his property? Was he a child?

A. I couldn't answer that. I handle men's money that are worth billions—not billions, but millions. They send me their money and tell me to do so-and-so, and I do it and that is all.

The witness further testified that as to the payment by him of seven hundred dollars claimed to have been made for Mr. Ruggles' account on the Seventh Street property, he dealt with a man by the name of Wagner, and the man that brought him to witness was named Garland, and that property—he got a certificate of title, and the Title Company stated that the title was good in three different heirs, and he bought up one of those heirs for \$700, but it seems Mr. Chapin Brown had a contract with this man, that was not of record, that he was to pay all costs and give Mr. Chapin Brown so much money for the handling of-it, and I think that ate all the money up, so we lost that money and lost the deal; the deal for the S Street property for which he made the deposit of \$100 fell through because Mr. Ruggles did not want to buy it; asked to explain about the note that was discounted at the Continental Trust Company and what the money was for, witness said Mr. Ruggles was kind enough to endorse my note and take it over there; all they wanted was somebody that did business with them to cash the notes; and he was doing business there, and he endorsed my note and took it over there, and they gave him the money and passed it to his credit and he turned it over to witness; witness had no account at that bank; witness said he had paid every dollar of that money back; Mr. Ruggles was called by him as a witness in his behalf in the suit of Campbell against the witness; asked concerning the Lamson note transaction witness said he didn't know what his son Charles did with Lamson, whether the note represented money he had borrowed from Lamson; did know of the existence of that note when Mr. Ruggles showed it to him; asked who introduced Lamson to Mr. Ruggles; witness said: "Mr. Lamson used to come to my office, because he would buy things there. After Ruggles bought the note he told witness he had paid \$450 for it and witness told him he was very foolish.

Q. It was your own son's note, was it not? A. I don't care—no, sir, it was not my son's note.

Witness further testified that he did not remember the name of its maker; that his son's name was on the back of it; don't know that his son discounted it at Lamson's; witness admitted that he had carried some notes to Mr. Ruggles for investment purposes;

134 witness could not say that he knew of any profits made by Mr. Ruggles out of any of the properties he bought for Ruggles' account; Ruggles made a profit off the notes witness carried to him but don't remember how much; he made three per cent a month and

six per cent interest; don't know about Ruggles's losses constantly on the real estate transactions; never told witness about selling the property and why he sold and how he sold it at all; witness knew that the \$100 which he charged against Ruggles on the S Street property was a loss and he knew that the \$700 which he claimed was paid for Ruggles on the Seventh Street property was lost absolutely; don't think Ruggles' profits on note transactions was greater than eight hundred dollars. Asked if there was anything left for him to claim an interest in, witness replied: "If there had been, it would have been a different thing. I never claimed any interest and never had any interest." Witness did not remember the date of his injury; Mr. Callaghan was with witness and had *has* been with him for the last six or seven years, making certificates of title and examining titles; never kept a set of books; Callaghan set down things; Handy collected some and looked after repairs and set down about his own things in the books; asked why he closed his office for six months while Mr. Callaghan and Mr. Handy were still in his employ, witness said: "They went on about their business." Callaghan spent most of his time in witness' office, but not after he shut up; Mr. Handy left just before that; had Miss Henault a little while and told her he would not need her any more; don't remember when she left; don't blame anybody for his books getting lost, scattered around, as he testified; left all of them in his private office, in his desk; the Bowie farm transaction took place shortly after Ruggles came in the office; don't just remember the month or date; he had funds of Ruggles and out of them he, the witness, made the payment of \$800 in that transaction; asked if he knew of any house in the block on Vermont Avenue, running south from Q Street to the Circle, that ever brought twelve thousand dollars, from the time he took Mrs. Ruggles up there down to present date, witness said he did not; he did not know anything about sales up there afterwards; asked on what he based his valuation of the Vermont Avenue property at \$12,000, witness said: "I will tell you. I traded a piece of property over on Wisconsin Avenue with a man named Duckett, and he borrowed from Lawyer Seville \$4,500 on that piece of property, and then fixed it up a little and sold it, and made, he told me, \$2,500. That was a piece of property that I traded for this piece of property." Witness testified that he based his valuation of \$12,000 on that; asked to explain the 3rd Street transaction, witness said, "I sold Mr. Ruggles that house subject to \$1,500, the note came due and they told him that they would let it run if he would pay the interest; he didn't pay the interest and they sold him out; it was sold under foreclosure and brought a little over the amount of the trust, \$1,500; a party bought it and then it was sold to the Government at \$6,500 for an addition to the Navy Yard; does not know of sales in the last year or two in the neighborhood of 8th and M Street- S. E.; never pay- any attention to sales except he is buying; witness could not get the \$10,000 note, made by Stetson the hat man of Philadelphia, which his son Robert had in his possession, discounted in this city; his son could not get the note discounted in Philadelphia and he sent it on here to witness

to get it discounted, although there was nothing the matter with the credit of Stetson; he was rated as high as anybody in the United States; asked if he knew why the banks refused to discount the note of a man of such standing, he said he did, that the banks were not taking anybody's notes at that time, except for themselves for their own benefit; as to the Kehoe typewriter stock, litigation took place, Kehoe never got his patent, and the company went to pieces; the stock is absolutely worthless; it had no value when he gave it to Ruggles; did not get anything from Ruggles for the stock; just made him a gift of it; when he made a statement to Assistant District Attorney Arth, about January 22, 1916, he don't think he told Mr.

Arth that he had lost the cash which Mr. Ruggles had given
135 to him. "I said I had made a good many losses." He told Mr.

Arth, on that occasion, that he had never had the Rhodes deed in his possession; he states now that that is so; he went to Rhodes and got the deed, but he brought it directly and gave it to Mr. Ruggles; when he stated to the Assistant District Attorney that he had never had the deed in his possession, he meant that he never kept the deed; it was not in his possession—made to him; it was in his possession to carry to the party it was made out to.

And thereupon the cross-examination of the witness was allowed by the court to be suspended while Mr. Arth, recalled, was interrogated.

Mr. ARTH, Assistant District Attorney, recalled as a witness by counsel for plaintiffs for the purpose of producing certain documents from the office of the United States District Attorney relative to John G. Slater, the defendant, testified that he would look for the Liebermann & Hawn statement and that he had notes of a statement made by Mr. Slater to him on one occasion, in January, 1916; it was a general statement; he was asked to produce both and left the stand to do so.

Pending the return of this witness, counsel for defendant took up the redirect examination of defendant and testified in answer to questions propounded by his counsel that what he referred to in his affidavit of defense filed in the Campbell suit, in which he stated that he was not the owner of the Tennessee Avenue properties, but had an option on them, was: "I had finished up before I got the property, as you would on any other property"; that he never did get a deed and did not know of the existence of a deed or that the deed was made out to him; he went to Rhodes and asked him to make a deed to Mr. Ruggles, and it seemed that he altered that deed; I had nothing to do with that.

And thereupon the redirect examination was suspended to allow Mr. Arth to be examined.

Mr. Arth testified that he produced in court, on the call of counsel for plaintiffs, the contract, or statement, of Liebermann &
136 Hawn for the 13th Street properties; that Slater requested Liebermann & Hawn to bring it to the office of witness and

it came into his hands that way, in connection with the statement which Slater made in the office of the District Attorney; thereupon the said paper was shown to the defendant and he was asked if it was his signature which was on the same and the defendant acknowledged that it was his signature; the said paper writing was thereupon read in evidence; the date of it was February 21, 1913, marked "In Triplicate," and referred to lots 10, 11 and 12, square 243, known as 1316, 1314 and 1312 Thirteenth Street, N. W.; said paper writing was the original agreement to purchase said properties, heretofore mentioned in the testimony of witness Hawn who produced and referred to a copy of same and testified that Slater made the deposit of \$100 by his personal check at the time said agreement to purchase was signed up. The said original paper writing was executed as follows: "Liebermann & Hawn, Agents for owner. Approved by Elizabeth A. Miller, owner. Accepted by Willis R. Ruggles, purchaser, per John G. Slater."; and thereupon witness Arth testified that the defendant, in making his statement to him, stated with reference to the cash moneys which he had received from Ruggles, that he had lost part of it and had spent other parts of it; he did not say that he had lost it all.

(Interrupted by Mr. Poe:)

Q. I have a right to cross-examine him. Did he say he had taken it and embezzled it, or did he say he had failed to account for it?
A. (Mr. Arth:) He said he had spent some of it on his own account and some of it on Ruggles' account.

And thereupon the redirect examination of the defendant as a witness was resumed by his counsel and he testified concerning the Bowie transaction that he sold Ruggles that farm for \$800. Questioned by the Court, the witness further testified that he thought he got that deed from Rhodes for the Tennessee Avenue houses in May and that he reckoned that about a month prior to getting the deed he had paid to Rhodes all that was required to be paid under the
137 contract, in evidence, to entitle him to receive the deed; asked how he fixed that time, witness replied, "I fix it in this light, that in about April I paid Mr. Rhodes the amount of money and he was to make out a deed, and I didn't go after the deed, and then when I went after it he said he had—I asked if he would not make the deed to Mr. Ruggles, and he said he would and did make it to Mr. Ruggles." Witness further testified in answer to questions by the Court that he thought that was in April and he got it in May; that he did not procure a release of the second trust on the property, after he got the deed and gave it to Ruggles and a release never was obtained; that he obtained the notes finally; don't think he got the notes until last Friday or Saturday, prior to the time of testifying; asked concerning the agreement which he testified that he had with Ruggles relative to this transaction, witness testified that Ruggles took the property also subject to this other trust which witness was to pay off, and which he did finally pay off about a year prior to testifying, and when he gave Ruggles the deed, the second trust was an outstanding obligation on the property absolutely and

Ruggles was given no security by witness, except his word, that witness would discharge that obligation; that Ruggles returned to Washington sometime in March, with the cash and notes derived from the sale of the Nelson County farm; that he closed a contract with Ruggles for the trade of that farm for the Tennessee Avenue houses, sometime in February; he first submitted to Mr. Ruggles, in February, any investments to make and that was the William John Miller property; then he submitted the Bowie farm to him, he thinks, in March; the 7th Street property was submitted in the following April; the property 1314 Third Street, S. E., was presented to him in March; I had that, that was mine, he took that from me, he bought it in March; when he returned from Virginia with the proceeds of the sale. Ruggles turned over to witness \$9,500.00 in cash and the purchase-money note; witness gave him nothing to evidence the receipt of that money and the notes, "No, sir, except \$11,000

138 was mine and the other money I paid out for him right away; I didn't keep it; the \$11,000 represented what he realized from the sale of the Nelson County farm and the remainder, \$3,500, he turned over to witness at several different times; gave no receipt to Ruggles; for the \$3,500 Ruggles got the Third Street property and the houses on 13th Street; witness received the money and about the time he got it he paid out for him "fifty some hundred dollars" and "he owed me \$1,900"; it was never paid; he never brought suit for it and there is no counter-claim here for it.

Mr. Poe: There is no counter-claim for it. There is a statement in the answer——

The Court: There is a statement of what sort?

Mr. Poe: There is a statement in the answer that he accounted to Mr. Ruggles——

Mr. Duvall (interrupting): For the \$4,000. It does not say he owed him anything.

And thereupon, further to maintain the issues on their part joined, WILLIS R. RUGGLES was recalled as a witness in rebuttal and testified, in answer to questions by his counsel, that he never told R. B. Williams, who testified as a witness for defendant, that he had traded for the Tennessee Avenue houses; that he never made a statement to defendant, in the presence of witness Callaghan, to the effect that he, witness, could not pay Slater some indebtedness; asked if he recalled any occasion when Mr. Callaghan, Mr. Slater and himself were discussing any indebtedness due from him to Slater, witness replied, "I can say positively that no such circumstance ever happened."

Witness further testified concerning the receipt from Slater of a deed to the Third Street property, southeast, dated and acknowledged April 10, 1913, that "While I was gone to Virginia trying to sell my farm, he initiated all of these—he initiated all these real estate deals while I was away, and one of the deals that he started was for a piece

139 of property on 14th street, and I believe he made a deposit, and for some reason or other that fell through. We could not secure it. He brought to me a deed to this Third street house and told me that he would give me that, turn that over to me

in place of the equity we were buying on Fourteenth street. That was some time later."

And thereupon counsel on both sides announced the taking of testimony closed.

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Decision of the Court.

Mr. JUSTICE SIDDONS:

The case has not been entirely free from difficulty in the Court's mind. The difficulties, however, are those touching the technical contentions that the defendant offers through the lips of his counsel, and as to those the only difficulty that has given the Court some trouble is this defense of laches. It was largely because of doubt in the Court's mind upon that point particularly that the Court wished to be enlightened by the views of counsel in their summing up argument.

This is a case in which the plaintiffs, husband and wife, seek a decree from this Court upon the ground of fraud practiced upon them by the defendant Slater, and, like nearly all such cases, the direct fraudulent purpose, where it exists, if it exists, is rarely to be established by any direct evidence. It is to be found, if at all, in an infinite variety of circumstances attending the relations and transactions of the parties, a sum total of which may, in a given case bring conviction to the Court as to the truth of the matter. There are some very significant facts which the Court thinks have been established in evidence here, that bear upon this question.

In cases of fraud, the general character or personality of the parties engaged in the transaction may be regarded by the Court, their relative knowledge of the matters dealt with, their strength or weakness of character; if weak, the ability of the stronger of the two to play upon the weaker character. These are all legitimate subjects of consideration. What have we here with respect to these matters?

Mr. and Mrs. Ruggles were residents of Virginia in the summer and fall of 1912. They lived on a farm owned by Mrs. Ruggles, near Herndon, Virginia. Mrs. Ruggles did not know Washington and had never known it until she came here in connection with these transactions. Mr. Ruggles had lived in Washington twenty years before, as a printer. Then he left Washington and had gone

141 to Virginia, and there had embarked in the business of farming or in the vocation of farming. He owned a farm in Nelson County, Virginia. The Nelson County, Virginia, farm was well stocked, under rent in the hands of some tenant of his; at any rate it was a farm that sold very readily when Mr. Ruggles undertook to sell it. In addition, Mrs. Ruggles owned a fifteen acre tract adjoining which has been characterized in this case as the Herndon farm. All these properties were free and unincumbered. Mrs. Ruggles, apparently dissatisfied with life on a Virginia farm, or at any rate, whether dissatisfied or not, desiring to come to Washington to live, had, with her husband, discussions about disposing of their interests in Virginia for the purpose of coming to Washington to reside, and as a result of these discussions they employed the witness

Bachman to see what he could do toward disposing at least of the Herndon farm belonging to Mrs. Ruggles. That employment seems clearly to have taken place either in the late summer of 1912 or the early fall of 1912.

Mrs. Ruggles on the stand appeared to be an intelligent lady, but obviously inexperienced in transactions of the character that have been under investigation here. Mr. Ruggles appeared on the stand here to be largely what he claims to have been, a farmer operating his farm and his wife's farm, or directing and supervising to some extent. His mental processes are obviously slow. He does not impress one as having physical or mental strength to any great degree; yet he is an intelligent man. His testimony is given in an intelligent manner. But as a man of strength of character, of firmness, of resolution, the Court can not say, from his observation of him, that he possesses any of these characteristics, but on the contrary he seems to have been a man rather easily led, led by his wife to considering parting with the Virginia interests and coming here to Washington to engage in a business, about which apparently he was ignorant and knew nothing.

142 The defendant here is characterized by one of his witnesses, a well-known member of the bar, as a capitalist, accustomed to large operations, with some witness saying that with respect to a colored man that Mr. Slater had long ago selected as a conduit for the taking of title, that in that man alone, to the knowledge of the witness, there had been transferred from time to time, for Mr. Slater's benefit, over half a million dollars' worth of property; that Mr. Slater is an intelligent man and knows the business in which he has been engaged for many years, the buying and selling of real estate, exchanging and trading in real estate, a man very confident of his own judgment, because more than once upon the stand he said he never, when he was considering the acquisition of a piece of property in the District of Columbia, bothered himself about what sales might have been made in the neighborhood, but he looked at the property for himself, and in a minute made up his mind whether it was worth taking up and dealing with or not; self-reliant, clear-headed, experienced in this business, an operator in real estate in the District of Columbia, extending over the better part of half a century.

These were the characteristics of the principals engaged in this transaction.

We have the witness Bachman employed by the Ruggles,—that character of countryman who combines very frequently all the acumen and fertility that usually life in the city gives to a person capable of absorbing it. He had been engaged in the real estate business, he said, for many years. He had known Mr. Slater for many years, and upon his employment by the Ruggles he took up the matter to see what he could do by way of finding a purchaser for this farm, or trading it. After some efforts and quite casually, he solicited the aid in Washington of the man who turns out in this transaction to have acted as Mr. Slater's agent, Mr. Campbell. He tells him what he, Bachman, has on hand for the Ruggles, and it

involves, as I have said, not merely the trading finally—that seems to have been taken up, a little later—of Mrs. Ruggles' farm, 143 but it began apparently with the effort to dispose of the Nelson County farm. Mr. Campbell goes to Virginia to see the Ruggles, and Mr. Slater goes there, and the discussion first was about the Nelson County farm. Mr. Slater sees the farm of Mrs. Ruggles and no doubt, with that skill he had acquired in appraising values of properties, could perceive that this was a desirable piece of property to acquire in some form.

It is very unfortunate in this case, though it is said by some of the witnesses that written contracts were made, that none of them were produced. Mr. Slater accounts for a failure to produce that which would have shed light upon his own connection with these transactions, by the scattering of his books. He said he did not keep a regular set of books, but Mr. Callaghan testified and the witness Handy testified that he, Handy, kept the books, and Mr. Callaghan kept them before Mr. Handy, and had instructed Mr. Handy to keep them. Mr. Callaghan testified also that for a portion of the time during which these transactions were going on, that Mr. Slater also had as assistant bookkeeper and an accountant, to use the words of Mr. Callaghan, a lady since married and whose whereabouts Mr. Slater tells us he no longer knows.

So the Ruggles come to Washington to see what Mr. Slater has to offer, first, for the trade of Mrs. Ruggles' farm. According to Mr. Ruggles, I think it was, he was taken in hand by Campbell and shown properties all over the city, which he was told by Mr. Campbell were owned by Mr. Slater. He was impressed with the wealth of Mr. Slater, the large and numerous transactions in real estate in which he was engaged, and finally—there is some conflict of testimony as to who went with the Ruggles, whether they went alone, or whether they went with Slater or Campbell or with Bachman, but at any rate the property at Ninth and M Streets was looked at, and the property on Vermont Avenue was examined. Mrs. Ruggles seems to have seen that, and there is testimony that she also saw the Ninth and M Street property.

144 According to Mr. Slater, when they made a trip together to the Ninth and M Street property, the car is driven by his bookkeeper and employe, Mr. Handy. Slater thinks, although he is not quite sure, that his agent Campbell went along, and he, Mr. Slater, went along with Mr. Ruggles. This property was shown to Mr. Ruggles and its desirability more or less dilated upon. The result is that the farm of Mrs. Ruggles, free and unincumbered, is turned over to Mr. Slater for this property at Ninth and M Streets, at a valuation of some fourteen thousand five hundred dollars, subject to a deed of trust of some sixty-five hundred dollars, and the Vermont Avenue house turned over at a valuation of twelve thousand dollars, subject to a trust of six thousand dollars. For aught that appears in the testimony here, there was never offered for the consideration of these plaintiffs or either of them, a single piece of unincumbered District real estate. Everything offered to them and

shown to them was incumbered, the trusts or some of them maturing very shortly.

It is true, and a familiar principle of law, that mere representations of value to a person are not necessarily false representations, even though they turn out not to be justified by the facts. But there is another principle of law in connection with representations of that character that I think is pretty well stated here in this authority. The author says there are many qualifications and modifications of the rule that actionable fraud cannot be based upon a mere expression of opinion, and that "there are many cases in which even the false assertion of an opinion will amount to fraud where, under the circumstances, the other party has a right to rely on what is stated or presented. For instance, an expression of opinion may amount to fraud where it is a mere contrivance of fraud, or if the person to whom it is expressed has justly relied upon it, and been misled, or when it is coupled with other circumstances."

It is obvious from the testimony in this case that the Ruggles relied upon the representations made to them by Mr. Slater
145 or Mr. Slater's agent, and that Mrs. Ruggles, as a result, parted with this unincumbered, apparently prosperous farm in Herndon, for these two pieces of incumbered property. Were the representations as to their value, at the time they were made, such as would justify the transaction in a court of equity when appealed to under such circumstances?

The testimony of Mr. McCarthy, an experienced real estate broker of over thirty years' active experience in the business here, and for many years manager of a lot of R. A. Holtzman's properties, later merged into a company or corporation, who testified to his familiarity with values within the vicinity of Ninth and M Streets, was to the effect that the value of that property in 1912 and 1913, when these transactions took place, was far below what was represented to be their value by Slater and his agent to the Ruggles. If the Court recalls Mr. McCarthy's testimony, he said it was at that time worth not more, in his opinion, than seven thousand or seventy-five hundred dollars.

Mr. Duvall: He said nothing for the improvements, and fifty cents a foot, making about forty-eight hundred dollars; and seventy-five hundred dollars for the Vermont Avenue property. He allowed nothing for the improvements at Ninth and M Streets.

The Court: Counsel is right. He did testify the property at Ninth and M Streets was not worth more than fifty cents a foot, while Mr. Sager, the other real estate man, of some fifteen or twenty years' experience, gave it as his opinion that it was not worth more than forty or forty-five cents a square foot. Against that we have Mr. Slater's own testimony as to his own judgment of its value. Mr. Callaghan undertook to testify to his knowledge of real estate conditions and business. Mr. Callaghan, who has been for years associated with Mr. Slater in his office and had examined titles for him and had drawn all his conveyances for him, testified that he drew the draft of the deed for the Tennessee Avenue houses. He undertook to give a value that would justify the trade that was made.

146 But the Court is convinced by the testimony in this case that the Ninth and M Street property had no such value in it, and that there could have been no legal justification on the part of anybody for representing it to have the value that it was represented to Mr. and Mrs. Ruggles to possess.

There was some further testimony coming from the side of the defendant that bears upon this. It seems that Mr. Slater had acquired this property some year or two prior to this transaction, and either he, or his conduit, Marsh, had given a deed of trust for five thousand dollars, which was held for collection by the Loan and Trust Company, when, at a somewhat later period, he went to Drury, and Drury procured a loan, so it is said, of sixty-five hundred dollars upon that property. Mr. Slater testifies that just before this loan of sixty-five hundred dollars, if the Court recalls the testimony in point of time correctly, he expended thirty-five hundred dollars upon this property, putting in new heating, new plumbing, papering and painting, putting it in first-class condition, and that a loan of sixty-five hundred dollars by Mr. Drury was obtained for him. Then it is turned over to Mrs. Ruggles, and the title is held by her from January, 1913, to about April, 1914, when, according to Mr. Drury, the property had been allowed to get into such condition that he told us that he himself undertook to reduce the loan from sixty-five hundred dollars to five thousand dollars by paying and cancelling fifteen hundred of the sixty-five hundred dollar loan which he had obtained. Is it conceivable that the property could have suffered such a loss in such a time as that? The circumstances of that cancellation, while evolved as they were in the security, seem finally, according to Drury's testimony, to come to this—that the broker who secured this loan of sixty-five hundred dollars, perhaps one of the trustees under the deed of trust securing it, took finally a deed for it from Slater, who in turn had taken a deed for it from the Ruggles, and that, having thus acquired the title, Drury negotiated some sort of a trade or transaction out of which he got enough money to reduce this
147 loan, and it continued on the property as a five thousand dollar loan. There is evidence that, for some reason of other, the property was not worth enough to stand a loan of sixty-five hundred dollars. He undertakes to explain, as I have pointed out, why he was allowed to do that.

As to the Vermont Avenue property, the property next to the corner of Q Street and Vermont Avenue, said to have been worth twelve thousand dollars, with a deed of trust of six thousand dollars. It is in evidence here that the owner of that deed of trust had required a reduction of the loan about the time the Ruggles acquired it, the reduction not in fact being made until after it had passed to the Ruggles, but the obligation existing to cut it down to fifty-five hundred dollars, and that was to be done in order that Mrs. Ruggles could get a renewal of the loan for a further period of three years. Why was this? The testimony as to the value there is satisfying and convincing that it had no such value as twelve thousand dollars, the amount it was represented to be worth by Mr. Slater and his agents to the Ruggles when they obtained it. They relied on Mr.

Slater. They relied on the statements of his agent, and to the extent that the agent Bachman, whom they had employed, made any recommendations to them about either of the properties taken over by Mrs. Ruggles, it was finally a recommendation.

What have we as to that? Bachman says that in October or November, 1912, after he had been employed by Mr. and Mrs. Ruggles, after he had met Mr. Slater, Slater proposed to pay him three per cent commission on all moneys that came to him as a result of business from persons brought to Mr. Slater and with whom he transacted business. Slater denied this. But there were some corroborating circumstances that justify the belief that there was some arrangement between Mr. Bachman and Mr. Slater. It is difficult to realize how Mr. Bachman could have brought himself to bring a suit

148 against Mr. Slater for these commissions in this Court and swear to what he swore to in his affidavit there, unless there

had been some basis for it; and we find Mr. Bachman volunteering—he said he was under no obligation to do that by the terms of his employment by the Ruggles—finally to the Ruggles that if certain things could be done with respect to the Ninth and M Street property, including the acquisition of a liquor license, that then there was a value there and they should take the property. He disclaimed having made any recommendation to the Ruggles with respect to the Vermont Avenue property. Mr. Ruggles swears that it was represented to him, with respect to the Ninth and M Street property, that the Lincoln Boulevard, as he calls it, was to go by there, greatly enhancing its value; that a liquor license could be procured for the corner property, and if procured, it would add to the value of the property. Yet these representations were made when this town was agog with knowledge that there was pending in Congress a bill that would reduce materially the number of saloons permitted in the District of Columbia, and if it became a law, as it did, would render the chances of securing a liquor license for this place out of the question.

So Mr. Ruggles takes the property, and they move into the Vermont Avenue house, and have resided there ever since. The property at Ninth and M Streets, unable utterly to do anything with it, even to keep it rented, is finally given up to escape the consequences of a deed of trust which, in the conveyance to Mrs. Ruggles, she was made personally to assume as a part of the consideration. She says she knew nothing about that, but the conveyance was tendered and accepted, and to escape that personal liability a man named Rees was induced to take the property over, which he did, and he in turn not long afterwards turned it over to Drury, one of the trustees in the deed of trust securing the sixty-five hundred dollars.

We come now to the other transactions whereby Mr. Ruggles lost his Nelson County farm. That was a farm that had been the first subject of discussion between Mr. Slater, his agent, and Mr. 149 Ruggles, or Mr. Ruggles' agent Bachman, and an offer had been made, Mr. Slater tells us, for a trade of that farm for a property up in the neighborhood of Twenty-second and Pennsylvania Avenue, and rejected. Then he sees Mrs. Ruggles' farm, and that matter is taken up, together with the adjoining tract of fifteen acres.

Perhaps before saying anything more of the Nelson County farm, I ought to say a word about the transaction whereby the fifteen acres adjoining the Herndon farm, and the personal property that was upon the Nelson County or Herndon farm—I have forgotten which—was turned over to Mr. Slater, in return for which a heavily mortgaged property, so far at least as the Kraemer Street houses are concerned, was turned over, Mrs. Ruggles taking one of these houses for her unincumbered fifteen acres, taking it subject to the heavy incumbrance thereon, and Mr. Ruggles taking the other Kraemer Street house and property on 13½ street, for the twenty-two or twenty-four hundred dollars' worth of personal property that was upon one or the other of the farms—all this appearing from the fact that these parties were unable to find purchasers for the property, unable to do anything with it, and it too melted away.

Then comes the Nelson County farm. The circumstances as developed in connection with that are astounding, to put it mildly. Mr. Slater says that that farm was the subject of agreement with Mr. Ruggles, and traded for the Tennessee Avenue house. As in the other cases, no contract was produced save an informal document that Mr. Ruggles himself drew. Asked why he drew it, he said upon the witness stand helplessly, that he did not know why he did it; that he was under some influence. Was there a trade in truth and in fact of this farm? Looking at it from the standpoint of Mr. Slater, that farm Mr. Ruggles himself sold and took the purchase money, notes and cash, and brought them to Washington and turned them over to Mr. Slater. Mr. Slater writes him a letter urging him to sell that farm, because, he says in that letter, "We can do so much better with the money here." If a trade, what concern of Mr.

Slater was it what Mr. Ruggles should do with the proceeds of that farm? It was his property. Slater had nothing to do with it, and yet this letter was written, plainly urging him to sell his farm for less than its value, and Mr. Ruggles testifies that the Nelson County farm was worth at least fifteen thousand dollars. He made a quick sale for much less, producing the cash.

Considered from the standpoint of a trade, as Mr. Slater claims it to have been, for the Tennessee Avenue houses, when, according to the evidence, Mr. Slater received from Mr. Ruggles cash and deferred notes for this Nelson County farm, he, Slater, did not even have a right to a deed for the Tennessee Avenue property, what do we find? He had at most a contract which, if he performed it, at a later date, would entitle him to receive from Mr. Rhodes a conveyance of the property. He says that trade involved turning over the Tennessee Avenue houses, subject to a first trust held by the Building and Loan Association, and when finally, in May, several months after he had received the proceeds of the Nelson County farm, he made the payments to Mr. Rhodes which entitled him to the deed, what did he do? He turned that deed over to Mr. Ruggles, having had it made out in Mr. Ruggles' name, although it had obviously been originally drawn making Mr. Slater the grantee. Slater turns it over to Ruggles, and never procured a release of the second deed of trust, or second deeds of trust, if there were more than one, upon this

Tennessee Avenue property, and himself testified that he only procured the cancelled notes within a week or ten days of the time he was testifying. Not a scrap of paper did Ruggles have, apparently, to show that he had turned over all of this cash, because in addition to the cash that he received from the sale of the Nelson County farm, the man seems to have accumulated and gathered together every other bit of cash that he had and brought it up here and
151 turned it over, or very nearly all of it, to Mr. Slater.

The Tennessee Avenue houses, subject to the first deed of trust of twenty-two hundred dollars apiece, held by the Building and Loan Association, and the second deed of trust for some one hundred and twelve dollars, being the second deed of trust which Mr. Rhodes seems to have given when he purchased it at a sale to protect his client, the surety company that had been on the bond of the contractor who had built these houses—speculatively built houses, speculative propositions from beginning to end—were then turned over to the Ruggles.

Slater says something about a transaction of some stock in some company, which stock he controlled, and that he made Ruggles a present of that stock. Ruggles says he gave it to him when he, Ruggles, was complaining that Slater had got all of his money, and he had nothing but incumbered property; that to satisfy Ruggles at the time Slater turned over this stock. Later Slater got it from Ruggles again for the purpose of a reissue, so he says, and gave him a receipt, and Mr. Slater says he made him a present of it. What for? Why should he have made a gift to Mr. Ruggles of stock that, if the machine, as Mr. Slater said, turned out to prove valuable, would be worth a great deal of money? Why did Mr. Slater make a gift to Mr. Ruggles of that stock? There is no explanation of that offered. We are bound to believe that Mr. Ruggles' account of that is a legitimate explanation of it. Going after Mr. Slater for the deed, he said "Here, take this stock." Then he makes a statement with reference to Stetson, the hat man, a man, Slater himself, says, than whom no one in the country is rated higher financially. That is one of the statements Mr. Slater did not mean—I do not suppose he intended the Court should believe Mr. John B. Stetson, the hat manufacturer, was rated commercially higher than John D. Rockefeller or Pierpont Morgan or a few other gentlemen. But Mr. Ruggles explanation of how he came to have that stock, and how Slater came to give it to him is a reasonable account
152 of it; while Mr. Slater's account of it that he made him a present of it, is not reasonable under the circumstances.

Mr. Ruggles remained at that desk in that outside room, occupied in part by Mr. Callaghan, for some weary months, seeing what was left of his little fortune disappearing into thin air, nothing left finally but the house they lived in and the Vermont Avenue property.

There is another significant aspect to this matter which the Court thinks sustains the contention made here by the plaintiffs, and that is that before even the Nelson County farm had actually been sold, and while Mr. Ruggles was in Virginia endeavoring to sell it, Mr.

Slater was initiating, in the language used by Mr. Ruggles, a number of deals of different kinds, as a result of which there was absolute loss to Ruggles of the cash that he put into them through Mr. Slater. Mr. Slater's checks paid for that. Slater said it was Ruggles own fault that if he had taken title to one of the properties he would not have lost seven or eight hundred dollars, and if he had taken the other he would have made a profitable deal; but he did not, and the money went, and his money was paid out through the medium of Mr. Slater almost immediately upon the return of Mr. Ruggles from Virginia with the proceeds of the Nelson County farm, the deferred purchase-money notes, one of the five thousand dollar notes of which was discounted in the bank in Nelson County, and that discount secured through the efforts of Mr. Ruggles, and Mr. Slater got the proceeds of the discount. Not only did he get that money, but he got some thirty-five hundred dollars besides, and he was ready with deals for Ruggles the moment Ruggles arrived in Washington.

Mr. Ruggles got the property on Thurston Street. I am rather inclined to think that as to that Mr. Ruggles got a property that, on the whole, was fairly acquired, acquiring it at the price of fifteen thousand dollars at which he acquired it. That was one of the transactions that Mr. Slater recommended to him, I think
153 the only one that, from this evidence, had any justification whatsoever, when we consider that Mr. Ruggles was relying on Mr. Slater and his best judgment. He regarded him as his friend, he regarded him as his business associate and partner, and he accepted his statements, the statements of an experienced man in the world engaged in this business, made to this countryman from this Virginia country farm.

I think Mr. Slater has not treated these people properly, and I think the case is one that requires him to account to the Ruggles' for the money that he received. Of course, in the preparation of a decree, in so far as there can be a return to Mr. Slater by the Ruggles of any of the property they got, Mr. Slater is entitled to credit for all that. Mr. Slater claims that Mr. Ruggles owes him nineteen hundred dollars in cash, money that Mr. Slater had either advanced for Mr. Ruggles over and above anything that he had received from the Ruggles, and not entitled to keep himself, and that that balance, according to Mr. Callaghan, was struck two or three years ago. Mr. Slater has yet apparently beyond the statement then made and the statement made on the stand here, taken no action against Mr. Ruggles for the collection of the nineteen hundred dollars. He may not have done so because he realized that Mr. Ruggles was not good for the amount in available property here in the District of Columbia or anywhere else. However that may be, if it shall be shown that Mr. Ruggles is indebted, Mr. Slater is entitled to credit for everything of that sort that he can show is due him by Mr. Ruggles. The Ruggles must put Mr. Slater, as far as they can, back in the same position that he was. Mr. Slater cannot restore these farms because he testified himself that immediately following the acquisition of Mrs. Ruggles' farm, the Herndon farm,

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he borrowed five thousand dollars upon it, and then traded it away. As to the Nelson County farm, of course Mr. Ruggles sold it himself and that is gone. But there can be an accounting and
154 a money decree for what is found finally to be due on the theory of the bill here.

I have spent too much time perhaps already in explaining the reasons that the Court feels require this action, reasons established by the evidence in this case. I think so far as the defense of laches is concerned, the situation is analogous at least to the situation before the Court of Appeals in the recent Bradley-Davidson case, a sufficient reason in equity, it has been shown in this case, to explain such delay in filing the bills that seems to have taken place.

Gentlemen, the only matter that is not entirely clear to the Court's mind, and possibly counsel can get together about that, is whether or not the evidence in this case is in such shape that, through the principles of accounting, the amount to be accounted for can be fixed in this decree, or whether it should be referred to the Auditor, to go into this matter. I am rather inclined to think at the present moment that that would be the wiser course to the parties, but in the absence of anything but the checks here, how much has actually been received and paid out by both these parties, plaintiffs and defendant, is not so clear, and yet counsel may be able to get together on a decree as to that. If not, the Court will have finally to dispose of it.

A decree in substantial conformity with the rulings that have been announced will be signed upon its presentation and upon notice to the other side.

155 In the Supreme Court of the District of Columbia.

WILLIS R. RUGGLES et al.

vs.

JOHN G. SLATER.

Exhibits Accompanying Digest of Testimony.

PLAINTIFF'S EXHIBIT #1.

WASHINGTON, D. C., March 3/13.

MY DEAR MR. W. R. RUGGLES:

Yours to hand. Do try and make the sale. If you have to take less, sell, for we can make more with the money now than at any other time, so try hard and sell. I hope you and wife are well.

Yours friendly,

JOHN G. SLATER.

Envelope containing above letter addressed to Mr. W. R. Ruggles, Lovington, Va., and postmarked Washington, D. C., March 3,

1913, at 7 P. M. The following notation in the upper left-hand corner of same: "Return to J. G. Slater, 1410 G St., N. W., Washington, D. C."

156

PLAINTIFF'S EXHIBIT #7.

Feb. 18, 1913.

I hereby agree to trade my farm in Nelson Co. Va., known as the George Woods farm to Mr. J. G. Slater for six houses as follows: [633 631]* (foregoing scratched out) six houses starting at 519 Tennessee Ave. N. E., subject to trust of — (amount scratched out and cannot be deciphered), said farm to be clear of incumbrance.

(Signed)

W. R. RUGGLES.

JOHN G. SLATER.

Accepted:

Witness as to both signatures:

CHARLES W. HANDY.

157

RUGGLES "H."

2200 QUE STREET N. W.,
WASHINGTON, D. C., March 19, 1914.

This is to certify that W. R. Ruggles has delivered to John G. Slater 250 shares of the stock of the Kehoe Stenograph Co. of the par value of \$25,000 to be forwarded to the office for registration and to be returned to him [forthwith]† (latter word scratched out) in the new stock.

(Signed)

JOHN G. SLATER.

158

RUGGLES EXHIBIT "1."

A deed from Fred B. Rhodes and wife Florence S. Rhodes of Washington, D. C., to Willis R. Ruggles. Received for record on the 21st day of May, A. D., 1913, at 9.23 A. M., and recorded in Liber 3625 at folio 197 of the land records of the District of Columbia. Deed recited that it was made on the 26th day of September, A. D. 1912. Purports to convey lots numbered eighteen (18), nineteen (19), and twenty-four (24) to twenty-seven (27) both inclusive in J. Irving Bealmear's subdivision of Square north of Square numbered 1053 according to plat recorded in Book 30, at folio 86, in the Office of the Surveyor of the District of Columbia. The name of the party of the second part has been erased and the name Willis R. Ruggles substituted.

The following is the Notary's certificate with the alterations as set forth in said deed:

[* Figures enclosed in brackets erased in copy.]

[† Word enclosed in brackets erased in copy.]

I, Jennie M. Ryan, a Notary Public in and for the District of Columbia, do hereby certify that Fred B. Rhodes and Florence S. Rhodes, his wife, party to a certain deed bearing date on the 26th day of September 1912 and hereto annexed, personally appeared before me in said District the said Fred B. Rhodes and Florence S. Rhodes, his wife, being personally well known to me as the person who executed the said Deed and acknowledged the same to be his act and deed.

Given under my hand and seal this 5th day of November, 1912.
(Signed) JENNIE M. RYAN,
Notary Public, D. C.

159

SLATER No. 2.

THE BANK OF NELSON,
LOVINGSTON, VIRGINIA, June 26th, 1913.

Willis R. Ruggles, Esq., Washington, D. C.

DEAR SIR:

Enclosed find two blank powers of attorney which you will sign one and acknowledge before an authorized officer who has seal, to transfer deed or trust to John G. Slater, and one power of attorney for John G. Slater to sign and acknowledge before authorized officer, given power of attorney to transfer deed of trust to the Bank of Nelson, also two blank transfers or assignments, one to be signed by you and one by Mr. Slater and each have a witness to signature.

Please have each of the enclosed papers signed and acknowledged and return to us together with bond, advising which you wish a check for proceeds (\$4,850.00 less cost of transfer & etc.) or shall same be placed to the credit of your account.

Kindest personal regards, I am,

Yours truly,
(Signed)

R. L. CAMDEN,
Cashier.

160

SLATER No. 4.

There are 6 head of horses and implements amounting in value to \$1,200 on my farm turned over to Mr. Slater with the farm.

(Signed)

W. R. RUGGLÉS.

161

RHODES "2."

June 26, 1912.

Received from John G. Slater the sum of five hundred dollars (\$500.00) in cash, and his three months' note in the sum of twenty-seven hundred forty dollars (\$2,740.00), in consideration of the purchase of the following described property:

No. 519, 521, 531, 533, 535, 537 Tennessee Ave., N. E., Washington, D. C.

It being understood and agreed that the said Illinois Surety Company, through its attorney in fact, Fred. B. Rhodes, will give deed to said property to the said John G. Slater upon his curtailing said note of twenty-seven hundred forty dollars (\$2,740.00), at the end of ninety days in the sum of five hundred dollars (\$500.00).

It is further understood and agreed that said property is to be purchased by the said John G. Slater subject to said trust of twenty-two hundred dollars (\$2,200.00), now held by the Perpetual Building Association. It is further understood and agreed that the said Illinois Surety Company from the proceeds of the said five hundred dollar (\$500.00) payment this day made will pay all taxes and interest and other charges to date.

ILLINOIS SURETY COMPANY,

By ————,
Attorney in Fact.

WASHINGTON, D. C., March 1, 1913.

Willis R. Ruggles in Account with Lieberman & Hawn.

In re Purchase by him of Sublots 10, 11, and 12, Square 243,
Premises #1316-14-12 Thirteenth Street Northwest.

	Dr.	Cr.
To price of property.....	\$15,000	
Water rent #1312 13th St., from date to June 30, 1913, at \$1,195 per yr.	3.98	
Water rent #1314 13th St., from date to June 30, 1913, at \$9.35 per yr..	3.12	
Water rent #1316 13th St., from date to June 30, 1913, at \$9.35 per yr..	3.12	
Preparing 2 certified copies of Certificate of Titles to Lots 11 & 12, Square 243.....	\$2.	
Preparing Deed.....	2.50	
Preparing Deed of trust and note	2.50	
Notary Fee Deed.....	1.	
Notary Fee Deed of Trust....	.50	
Recording Deed.....	1.50	
Recording Deed of Trust.....	2.75	
	12.75	
By Deposit February 21, 1913.....		\$100.
Deed of trust on #1312 13th St., ex- isting and due July 10, 1914.....		4,500.
Interest at 5% on same accrued from Jan. 10, 1913, to date.....		30.63
Deed of Trust on #1314 13th St., ex- isting and due May 14, 1915.....		4,000.
Interest at 5% on same accrued from Nov. 14, 1912, to date.....		58.33
Deed of trust on 1316 13th St., given be purchaser, (for three years at 5% int.)		4,500.
Rent #1312 13th St., from date to Mch. 15, 1913, at \$45.50 per mo...		22.75
Taxes accrued from July 1, 1912, to date at \$203.18 per yr.....		135.45
Balance required to close...		1,675.81
	\$15,022.97	\$15,022.97
Amount required to close.....		\$1,675.81

Purchaser to furnish insurance satisfactory to the holders of the Deeds of Trust, as per contract, at the time of settlement.

NOTE.—Above \$1,675.81 paid March 27, 1913.

163

Rhodes Notes.

Twelve notes of \$132.23 each made by Fred B. Rhodes, and payable to Charles T. Hendler and Andrew Wilson, Trustees. Produced by John G. Slater and marked paid and cancelled. Said notes bear date of November 11, 1911, and are payable twelve months after date. Said notes relate to the Tennessee Avenue property.

164 In the Supreme Court of the District of Columbia.

At Law. No. 59021.

JOHN W. BAUCKMAN

vs.

JOHN G. SLATER.

Affidavit.

DISTRICT OF COLUMBIA, *To wit.*

I, John W. Bauckman, being first duly sworn according to law, do depose and state that I am the party named as plaintiff in the above entitled cause wherein one John G. Slater is named as party defendant; that some time in the Fall of the year 1912, (to the best of my recollection), in about November, 1912, the defendant, John G. Slater (who like myself was engaged more or less extensively in the real estate business at the time), undertook, promised and agreed that he would allow and pay me the full commission of three per centum on the gross amount of business which he might do or transact with any person whomsoever that I might bring or introduce to him; that, relying upon his said undertaking, promise and agreement so made, and for the express purpose of earning the commissions so agreed to be allowed by him and paid to me, I did take and introduce to him for that purpose one W. R. Ruggles; that thereafter (beginning about the first of March, 1913, and extending into some few months subsequently thereto), the said John G. Slater, as I am reliably informed and truly believe and hope to be able to establish as the fact, the said John G. Slater and the said W. R. Ruggles did and transacted together business to the extent of some forty-five thousands of dollars as set forth in the particulars of demand hereto annexed and made a part hereof; that, by reason of the said undertaking, promise and agreement on the part of the said John G. Slater and the said services rendered on my part in reliance thereon and in pursuance thereof and the volume of business actually transacted between the said John G. Slater and the said W. R. Ruggles, so

taken and introduced by me to the said John G. Slater, the said John G. Slater became justly indebted to me in the full sum of three per centum commission on the said total volume of business so transacted between them; that the said total volume of business aggregated at least the sum of forty-five thousand (\$45,000) dollars; that thereby, and in consequence thereof, said defendant became justly indebted to me in the full sum of at least thirteen hundred and fifty (\$1,350) dollars; that I have made numerous and repeated demands upon the said John G. Slater for a settlement by way of the payment of the commission so earned by me and justly due from him, but that he has always quibbled, "hummed and hawed," evaded the question or failed to make any settlement whatever with me; that he has never paid me one cent on account of any transaction whatever which he has ever had with the said W. R. Ruggles, and that the said John G. Slater is justly indebted to me in the full sum of at least thirteen hundred and fifty (1,350) dollars over and above any and all set-offs, counter claims or just grounds of defense.

(Signed)

JOHN W. BAUCKMAN,

Plaintiff.

Sworn to and subscribed before me this 6th day of April, A. D. 1916.

(Signed)

JOHN L. FLETCHER,

Notary Public, D. of C.

165

Particulars of Demand.

March 1, 1913,	Funds placed in defendant's hands by	
	W. R. Ruggles for use or investment	\$14,000
	On account of premises #1314 Third	
	Street, S. E., Washington, D. C.....	4,000
to	On account of six houses on Tennessee	
	Ave., N. E., Washington, D. C.....	15,000
	On account of three houses on Thirteenth	
May 31, 1913.	Street, N. W., Washington, D. C.....	12,000
	Or a total amount involved of.....	\$45,000
	on which 3% commission amounts to..	1,350

166 In the Supreme Court of the District of Columbia.

At Law. No. 59021.

JOHN W. BAUCKMAN, Plaintiff,

vs.

JOHN G. SLATER, Defendant.

Affidavit of Defense Accompanying Pleas.

John G. Slater, being by me first duly sworn, on oath deposes and says that he is the defendant in the above-entitled cause, and he

denies the right of the plaintiff to recover judgment against him for the whole or any part of his alleged claim. And said affiant says that he never did undertake, promise or agree to allow or pay the plaintiff a commission of three per centum on the gross amount of any and all business which he, the affiant, might transact or do with any person whom the plaintiff might bring or introduce to the defendant, or any other sum or commission. And defendant further makes oath that he never undertook or promised to pay to the plaintiff any sum arising by reason of any transactions supposed to have been had between this defendant and one William R. Ruggles, as plaintiff hath claimed and set forth in his alleged Bill of Particulars accompanying his declaration.

And further affainst sayeth not.

(Signed)

JOHN G. SLATER.

Subscribed and sworn to before me this — day of April, A. D., 1916.

(Signed)

Notary Public, D. C.

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PLAINTIFF'S EXHIBIT No. 15.

Part 2.

In the Supreme Court of the District of Columbia.

Law. No. 56059.

T. R. CAMPBELL, Plaintiff,

VS.

JOHN G. SLATER, Defendant.

Bill of Particulars Annexed to Plaintiff's Declaration.

"For services rendered as follows:

In procuring W. R. Ruggles as purchaser for these properties:

Sub-Lots 10, 11, 12, Sq. 243, at 3% selling price.

Lot 94 Sq. 4074.

" 123 " "

Sub-lots 18, 19, 24, 25, 26, 27, N. of Sq. 1053 at 3%, \$97.50 each lot.

Part Lot 6, Sq. 802, at 3%..... \$90.

Sub " 25, " " " " 1.50

Part Lot 6, " 258 " " 150.

" " 251, " 4540, " " 50.

One farm Bowie, Md., at 5%..... 250.

Loan of \$1,500 from W. R. Ruggles at 3%..... 45.

The affidavit of merit annexed to declaration alleges that Slater employed him on or about Jan. 15, 1912, to find purchasers for above.

167 1/2

EXHIBIT.

*Checks Drawn by W. R. Ruggles to the Order of John G. Slater—
Summary from the Evidence.*

On Bank of Nelson, Lovington, Va.

Date.	Amount.
March 15, 1913.....	\$825.00
March 18, 1913.....	1,000.00

National Bank of Herndon, Herndon, Va.

February 15, 1913.....	\$150.00
March 18, 1913.....	700.00
March 21, 1913.....	300.00
March 25, 1913.....	450.00

Continental Trust Company, Washington, D. C.

March 26, 1913.....	\$3,175.00
" 31, 1913.....	1,500.00
April 2, 1913.....	1,500.00
May 20, 1913.....	40.00
" 22, 1913.....	110.00
" 24, 1913.....	65.00
June 24, 1913.....	50.00
" 25, ".....	20.00
July 7, ".....	125.00
" 9, ".....	125.00
Aug. 9, ".....	30.00
" 21, ".....	25.00
Sept. 10, ".....	75.00

168

PLAINTIFF'S EXHIBIT NO. 15.

In the Supreme Court of the District of Columbia.

Law. No. 56059.

T. R. CAMPBELL, Plaintiff,

VS.

JOHN G. SLATER, Defendant.

Affidavit of Defense.

This affidavit, sworn to by John G. Slater August 18, 1913, and filed in above-entitled cause on same date, denies that he employed plaintiff on 14th day of January, or at any other time to find purchasers for the property in the bill of particulars mentioned; that

plaintiff did not procure purchasers except as to part of lot 251 Sq. 4540, for which he was entitled to a commission of \$50 which defendant paid and then the affidavit proceeds in the following language:

"That as to Sub-lots 10, 11 and 12, Sq. 243, lots 94 and 123, Sq. 4074, this defendant never had any interest in whatever, nor did the plaintiff ever procure a purchaser for him for their purchase; that as to sub-lots 18, 19, 24, 25, 26 and 27, Square 1053, the plaintiff had nothing to do with their sale, that he did not procure a purchaser nor did he have an agency in their sale, that defendant was not the owner of either of said lots and never sold the same, the only interest he had therein was an option he surrendered to the owner; that as to the lots in square 802 and 258 the defendant says that he did make sale of same but not to any the purchaser procured by plaintiff nor did plaintiff ever bring to this defendant any acceptable offer, nor did plaintiff have anything to do with their sale; that as to item 16 (farm near Bowie, Md.) defendant owned the same but has never sold it, nor did the plaintiff ever procure a purchaser for it, nor was it ever placed in his hands for sale."

(Signed)

JOHN G. SLATER.

169 In the Supreme Court of the District of Columbia, Holding
an Equity Court.

Equity. No. 34182.

WILLIS R. RUGGLES and Wife, GERTRUDE S. RUGGLES, Plaintiffs,

VS.

JOHN G. SLATER, Defendant.

Notice.

Edward S. Duvall, Esq., Attorney for Willis R. Ruggles and Gertrude S. Ruggles.

SIR:

I hereby notify you that on Monday, the 12th day of August, 1918, at 10 A. M., I shall submit to the Honorable Justice of the Supreme Court of the District of Columbia for approval the true, complete and properly prepared statement of the evidence in the above entitled cause, which accompanies this notice.

CHAS. POE,

Attorney for John G. Slater.

Receipt of copy of the above notice and statement of evidence acknowledged this 31st day of July, A. D. 1918.

EDWARD S. DUVALL,

Attorney for Willis R. Ruggles and Gertrude S. Ruggles.

170 In the Supreme Court of the District of Columbia, Holding
an Equity Court.

Equity. No. 34182.

WILLIS R. RUGGLES and Wife, GERTRUDE S. RUGGLES, Plaintiffs,
vs.

JOHN G. SLATER, Defendant.

Certificate as to Statement of Evidence.

I hereby certify that the foregoing is a true and complete statement of the evidence and Exhibits in the above entitled cause, and is properly prepared.

Signed in duplicate.

F. L. SIDDONS,
Justice.

May 28, 1919.

Settled by consent May 14th, 1919.

EDWARD S. DUVALL,
Attorney for Pl'tffs.

CHAS. POE,
Att'y for Def'd't.

Endorsed on cover: District of Columbia Supreme Court. No. 3290. John G. Slater, appellant, vs. Willis R. Ruggles et al. Court of Appeals, District of Columbia. Filed Jul-7, 1919. Henry W. Hodges, clerk.

